

# **PUBLIC DISCLOSURE**

January 17, 2023

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Republic Bank & Trust Company  
Certificate Number: 23627

601 W Market St  
Louisville, Kentucky 40202

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Chicago Regional Office

300 South Riverside Plaza, Suite 1700  
Chicago, Illinois 60606

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including LMI neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	2
DESCRIPTION OF ASSESSMENT AREAS.....	3
SCOPE OF EVALUATION.....	4
CONCLUSIONS ON PERFORMANCE CRITERIA.....	5
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....	15
LOUISVILLE-JEFFERSON COUNTY, KY-IN MULTISTATE MSA (LOUISVILLE).....	15
DESCRIPTION OF INSTITUTION’S OPERATIONS IN LOUISVILLE.....	16
SCOPE OF EVALUATION – LOUISVILLE .....	18
CONCLUSIONS ON PERFORMANCE CRITERIA IN LOUISVILLE .....	18
STATE OF KENTUCKY.....	28
DESCRIPTION OF INSTITUTION’S OPERATIONS IN KENTUCKY .....	28
SCOPE OF EVALUATION – KENTUCKY .....	31
CONCLUSIONS ON PERFORMANCE CRITERIA IN KENTUCKY .....	31
STATE OF FLORIDA.....	40
DESCRIPTION OF INSTITUTION’S OPERATIONS IN FLORIDA .....	40
SCOPE OF EVALUATION – FLORIDA .....	43
CONCLUSIONS ON PERFORMANCE CRITERIA IN FLORIDA .....	43
CINCINNATI-MIDDLETON, OH -KY MULTISTATE MSA (CINCINNATI).....	52
DESCRIPTION OF INSTITUTION’S OPERATIONS IN CINCINNATI .....	52
SCOPE OF EVALUATION – CINCINNATI .....	55
CONCLUSIONS ON PERFORMANCE CRITERIA IN CINCINNATI.....	55
STATE OF TENNESSEE.....	64
DESCRIPTION OF INSTITUTION’S OPERATIONS IN TENNESSEE .....	64
SCOPE OF EVALUATION – TENNESSEE .....	67
CONCLUSIONS ON PERFORMANCE CRITERIA IN TENNESSEE .....	67
APPENDICES .....	76
LARGE BANK PERFORMANCE CRITERIA.....	76
SCOPE OF EVALUATION.....	78
SUMMARY OF RATINGS FOR RATED AREAS .....	79
GLOSSARY .....	80

## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Outstanding**.

An institution in this group has an outstanding record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

**The Lending Test is rated Outstanding.**

- Lending levels reflect excellent responsiveness to assessment area (AA) credit needs.
- An adequate percentage of loans are made in the institution's AA.
- The geographic distribution of loans reflects good penetration throughout the AA.
- The distribution of loans to borrowers reflects, given the product lines offered by the bank, good penetration among retail customers of different income levels.
- The institution makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs.
- The institution is a leader in originating community development loans.

**The Investment Test is rated Outstanding.**

- The institution has an excellent level of qualified community development investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.
- The institution exhibits excellent responsiveness to credit and community development needs.
- The institution makes extensive use of innovative and/or complex investments to support community development initiatives.

**The Service Test is rated High Satisfactory.**

- Delivery systems are reasonably accessible to essentially all portions of the AA.
- During the evaluation period, the institution did not open or close any branches; therefore, this criterion did not adversely affect the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals.
- Services, including business hours, do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and/or individuals.
- The institution is a leader in providing community development services.

## **DESCRIPTION OF INSTITUTION**

### **Background**

Republic Bank & Trust Company (RBTC) is a \$6.0 billion state-chartered commercial bank that operates in Kentucky, Tennessee, Indiana, Ohio, and Florida. RBTC received a “Satisfactory” rating at its previous FDIC Performance Evaluation, dated January 6, 2020, using Interagency Large Institution Examination Procedures.

RBTC is headquartered in Louisville, Kentucky, and is a wholly-owned subsidiary of Republic Bancorp, Inc., a one-bank holding company. During the evaluation period, Republic Bancorp subsidiaries included Republic Bancorp Capital Trust (closed August 2021) and Republic Insurances Services, Inc. RBTC’s common stock is traded publicly on the NASDAQ Stock Market.

### **Operations**

RBTC operates 42 full-service branches, with 28 branches in Kentucky, 2 in Ohio, 2 in Tennessee, 3 in Indiana, and 7 in Florida. In addition, RBTC operates 51 automated teller machines (ATMs) and 90 interactive teller machines (ITMs). RBTC has not opened or closed any branches since the prior evaluation and did not merge or acquire any institutions.

RBTC offers a full range of banking products and services for both personal and business needs. Loan products include home mortgage, commercial, agriculture, and consumer loans. Deposit products include checking, savings, money market, individual retirement, and certificate of deposit accounts. Business services include corporate cash management, account management sweep services, payroll direct deposit, Automated Clearing House debit originations, state and federal tax payments, 24-hour telephone banking, merchant credit card services, wire transfers, and night deposits. Consumer services include online banking and bill payment, 24-hour telephone banking, automatic transfers from deposit accounts, direct deposit, and debit cards.

RBTC also operates a segment of its business operations through its Republic Processing Group, which offers a range of specialty consumer and commercial products and services through the following three divisions:

- Tax Refund Solutions (TRS) - offers tax payment products through nationwide tax preparation offices and software, known as electronic refund originators
- Republic Credit Solutions - offers short-term, small-dollar consumer credit products
- Republic Payment Solutions - issues prepaid debit cards, payroll cards, and demand deposit accounts through third-party program managers.

### **Ability and Capacity**

According to the Consolidated Reports of Conditions and Income (Call Report) dated September 30, 2022, the bank has total assets of \$6.0 billion, total loans of \$4.3 billion, total securities of \$657 million, and total deposits of \$4.8 billion.

As shown in the following table, the major categories of loans by dollar volume are 1-4 family residential loans totaling 32.8 percent and commercial lending (includes commercial real estate and commercial and industrial loans) totaling 40.1 percent.

<b>Loan Portfolio Distribution as of 09/30/2022</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	147,418	3.4
Secured by Farmland	6,320	0.1
Secured by 1-4 Family Residential Properties	1,416,886	32.8
Secured by Multifamily (5 or more) Residential Properties	233,567	5.4
Secured by Nonfarm Nonresidential Properties	1,331,706	30.9
<b>Total Real Estate Loans</b>	<b>3,135,897</b>	<b>72.7</b>
Commercial and Industrial Loans	396,975	9.2
Agricultural Production and Other Loans to Farmers	-	0.0
Consumer Loans	263,936	6.1
Obligations of State and Political Subdivisions in the U.S.	36,116	0.8
Other Loans	469,759	10.9
Lease Financing Receivable (net of unearned income)	11,333	0.3
Less: Unearned Income	-	0.0
<b>Total Loans</b>	<b>4,314,016</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet AA needs.

## **DESCRIPTION OF ASSESSMENT AREAS**

The Community Reinvestment Act (CRA) requires each financial institution to define one or more AAs within which its performance is evaluated. In accordance with the CRA, RBTC delineated five separate AAs within five rated areas. The AAs do not arbitrarily exclude any LMI census tracts, do not reflect illegal discrimination, and otherwise meet the requirements of the CRA regulations.

The following table provides a brief description of each AA, including the counties and number of census tracts and branches within each AA. A more detailed discussion of each AA, including economic and demographic data, competition, and community contacts, can be found in the rated areas of this evaluation.

Description of Rated Area			
Rated Area	Counties in Rated Area	# of CTs	# of Branches
Louisville	KY: Bullitt, Jefferson, Shelby & IN: Clark, Floyd	264	22
State of Kentucky	Fayette, Scott	96	6
State of Florida	Hillsboro, Pinellas, Pasco	701	7
Cincinnati	KY: Boone, Kenton & OH: Hamilton, Butler	365	5
State of Tennessee	Williamson, Davidson	198	2
Source: Bank Data			

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the prior evaluation, dated January 7, 2020, to the current evaluation, dated January 17, 2023. Examiners used the Interagency Large Institution Examination Procedures to evaluate CRA performance. These procedures include the following three tests: Lending Test, Investment Test, and Service Test. Of these, the Lending Test is given more weight in overall conclusions. Examiners assigned ratings for each state and multistate Metropolitan Statistical Area (MSA), as well as the institution overall. Information on the criteria used for each of the tests can be found in the Appendix. This evaluation does not include any affiliate lending activity.

Examiners relied upon records provided by the bank, 2015 American Community Survey (ACS) five-year estimates, D&B demographic data, community contacts, and loan information reported under the Home Mortgage Disclosure Act (HMDA) and CRA.

As shown below, RBTC conducts a majority of business in the Louisville AA, including a substantial portion of the bank's loans, deposits, and branches; therefore, examiners weighted performance in this AA the most when assigning overall ratings. The Kentucky and Florida AAs received equal weighting, and Cincinnati and Tennessee yielded the least weighting when assigning overall ratings. Examiners evaluated all AAs using full-scope procedures. The following table details the concentration of loans, deposits, and branches within each AA.

Assessment Area Breakdown of Loans, Deposits, and Branches								
Assessment Area	HMDA Loans		Small Business Loans		Deposits		Branches	
	\$ (000s)	%	\$ (000s)	%	\$(000s)	%	#	%
Louisville	1,052,947	63.7	566,438	57.0	3,521,953	72.5	22	52.4
Kentucky	206,273	12.5	94,967	9.5	383,979	7.9	6	14.3
Florida	162,692	9.8	182,573	18.4	596,434	12.3	7	16.7
Cincinnati	102,686	6.2	112,744	11.3	279,641	5.8	5	11.9
Tennessee	129,437	7.8	37,890	3.8	73,168	1.5	2	4.8
<b>Total</b>	<b>1,654,035</b>	<b>100.0</b>	<b>994,612</b>	<b>100.0</b>	<b>4,855,175</b>	<b>100.0</b>	<b>42</b>	<b>100.0</b>
Source: Bank Data; 2020 – 2021 HMDA and CRA Small Business loan data; June 30, 2022 FDIC Summary of Deposits								

### **Activities Reviewed**

Based on the origination volume of lending by number and dollar originated during the evaluation period, examiners determined that home mortgage and small business loans represented the bank's primary lending products. The institution's record of originating home mortgage loans contributed more weight to overall conclusions due to the larger loan dollar volume when compared to small business lending during the review period. Further, the small business lending was significantly impacted by the Paycheck Protection Program (PPP), which was a temporary government-guaranteed lending program established to allow businesses to maintain their payroll during the COVID-19 pandemic in 2020 and 2021. Overall, the bank originated 5,613 PPP loans representing \$746,934,000, which comprises more than 50 percent of the bank's small business lending during those year. No other loan types, such as small farm or consumer loans represent a significant portion of the loan portfolio composition; therefore, they do not provide material support for conclusions or ratings and are not presented. Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period.

Examiners analyzed 2020 and 2021 home mortgage and small business loans reported under HMDA and CRA data collection requirements. In 2020, RBTC originated or purchased 5,710 home mortgage loans totaling \$1.3 billion. In 2021, lending levels slightly decreased, and RBTC originated or purchased 4,957 home mortgage loans, totaling \$1.1 billion. In 2020, RBTC originated or purchased 8,225 small business loans totaling \$780.7 million. In 2021, RBTC originated or purchased 6,343 small business loans totaling \$623.8 million, also demonstrating a slight decrease in lending levels.

Examiners used aggregate data from 2020 and 2021 for HMDA and 2020 aggregate data for CRA as a standard of comparison for the lending performance (aggregate 2021 CRA data was not available as of the date of this evaluation). For the Lending Test, examiners reviewed and presented the number and dollar volume of home mortgage and small business lending; however, examiners emphasized performance by number of loans, as it is a better indicator of the number of individuals and businesses served.

The evaluation includes community development loans, investments, and services originated or renewed January 8, 2020 through December 31, 2022. Investments that were made prior to the evaluation and that remain outstanding are included at the current book values as prior period investments. Examiners evaluated the quantitative levels of community development loans, investments, and services based on the financial capacity of RBTC, as well as the qualitative impact to the AAs.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

RBTC's Lending Test rating is Outstanding. Performance in the Louisville, Florida, and Cincinnati rated areas supports this rating. Examiners derived this conclusion after considering the lending factors detailed in the Appendix of this evaluation.

### **Lending Activity**

Overall, lending levels reflect excellent responsiveness to AA credit needs. Examiners reviewed the number and dollar volume of loans originated and purchased during the review period, as well as market share reports, aggregate lending data, and demographic data.

Home mortgage and small business volume increased substantially since the prior evaluation. As recorded in the prior evaluation, in 2018 and 2019, RBTC originated or renewed a total of 18,434 HMDA and small business loans totaling \$2.3 billion. In 2020 and 2021, RBTC originated or renewed a total of 25,235 HMDA and small business loans totaling \$3.8 billion, representing a 36.9 percent increase by number and 65.1 percent increase by dollar volume. Examiners noted substantial growth in both loan categories since the prior evaluation.

A complete discussion of the performance for this criterion is in the separate assessment sections of this evaluation.

### **Assessment Area Concentration**

Overall, the institution made an adequate percentage of home mortgage and small business loans, by number and dollar volume, within the AAs. While a majority of the dollar volume of small business loans are within the AAs, the number of small business loans is below 50.0 percent. As previously discussed, through the Republic Processing Group, RBTC offers TRS products, which originates nationwide working capital and software loans to tax preparation offices. For example, the bank originated 3,144 of these loans totaling \$109.8 million in 2021, of which 3,084 (98.1 percent) totaling \$108.0 million (98.4 percent) were to borrowers outside the AA. While the origination volume is significant in terms of numbers, the average loan size was approximately \$34,900, as compared to an average loan size of other small business loans of approximately \$161,000. In addition, the bank's extensive participation in the SBA's PPP within its AAs helped offset the impact of the TRS lending.

Despite the number of small business originations outside the AAs, overall by both number and dollar, a majority of home mortgage and small business loans are within the AAs. The following table illustrates lending activity inside and outside the AAs.



Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total  #	Dollar Amount of Loans \$(000s)				Total  \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	4,147	72.6	1,563	27.4	5,710	857,368	68.4	395,996	31.6	1,253,363
2021	3,680	74.2	1,277	25.8	4,957	796,668	70.1	339,623	29.9	1,136,291
Subtotal	7,827	73.4	2,840	26.6	10,667	1,654,035	69.2	735,619	30.8	2,389,654
Small Business										
2020	4,356	53.0	3,869	47.0	8,225	571,500	73.2	209,172	26.8	780,672
2021	2,793	44.0	3,550	56.0	6,343	423,112	67.8	200,673	32.2	623,785
Subtotal	7,149	49.1	7,419	50.9	14,568	994,612	70.8	409,845	29.2	1,404,457
Total	14,976	59.3	10,259	40.7	25,235	2,648,647	69.8	1,145,464	30.2	3,794,111
Source: Bank Data. Due to rounding, totals may not equal 100.0%.										

### **Geographic Distribution**

The geographic distribution of loans reflects good penetration throughout the AAs. While results were stronger in Cincinnati and weaker in Tennessee, performance in the Louisville, Kentucky, and Florida rated areas supports this rating. A complete discussion of the performance under this criterion is in the separate assessment sections of this evaluation.

### **Borrower Profile**

The distribution of borrowers reflects good penetration among retail customers of different income levels and business customers of different sizes. Performance in all five rated areas supports this rating. A complete discussion of the performance under this criterion is in the separate assessment sections of this evaluation.

### **Innovative or Flexible Lending Practices**

The institution makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs. As illustrated in the table below, RBTC facilitated approximately 8,900 loans totaling \$1.1 billion with innovative or flexible lending programs, including activities outside the AA. This level of activity represents a significant increase from the prior evaluation of 366.8 percent relative to dollar volume. PPP loans presented a unique opportunity, and RBTC participated extensively in the program. For example, PPP loans represent approximately 66.4 percent of total flexible and innovative loan dollar volume; however, PPP does not account for all of the growth. Without considering the PPP loan program, the institution still increased flexible and innovative lending dollar volume by 56.8 percent since the prior evaluation.

A substantial majority (72.3 percent by number) of these flexible and innovative loans benefited consumers and small businesses in the Louisville and Florida AAs. RBTC provides many of the programs through state or federal governments; however, some are internally-developed loan programs such as the new LMI Down Payment Assistance product, Credit Builder, secured credit cards, employee grants, the Neighborhood Housing Program, LMI Home Equity Amortizing loans,

and LMI Home Equity Line of Credit. In addition to these programs, the bank either deferred or modified 1,246 loans to assist borrowers.

The following are descriptions of the programs:

***Federal Housing Authority (FHA)/Veterans Administration (VA)/United States Department of Agriculture (USDA) Rural Housing:*** Federal programs that provides flexible terms and underwriting criteria for home mortgage loans.

***Kentucky Housing Corporation (KHC):*** State of Kentucky Public Housing Corporation includes conventional and FHA loans that provide flexible terms and underwriting criteria for home mortgage loans directed at families and Section 8 rental properties in targeted areas. In addition, the program makes both down payment assistance and tax credits available to eligible homebuyers.

***Fannie Mae Home Ready:*** Federal program that provides flexible terms and underwriting criteria for low-income, first-time, or repeat homebuyers with limited cash for down payment.

***Freddie Mac Home Possible:*** Federal program that provides flexible terms and underwriting criteria for moderate-income, first-time homebuyers with limited cash for down payment.

***Small Business Administration (SBA):*** Federal program that offers 7a, 504, and Express loans with flexible terms and underwriting criteria to facilitate the origination of business loans to qualifying small businesses.

***SBA Paycheck Protection Program (PPP):*** Emergency federal program offered to provide financial relief and assistance to small businesses experiencing financial hardship and duress due to the pandemic. The PPP financing features a 100 percent SBA loan guarantee for loans up to \$10 million. Additionally, businesses paid a below-market fixed interest rate of 1 percent over a two-year term, which can be fully forgiven if the business retains the required minimum percentage of employees on the payroll. The government program launched on April 3, 2020 and continued through year-end 2021.

***Federal Home Loan Bank (FHLB) Welcome Home:*** Federal program offered through FHLB of Cincinnati provides qualifying LMI borrowers with down payment assistance to purchase primary residences.

***LMI Down Payment Assistance:*** New since the prior evaluation, an internally-developed down-payment assistance program for first-time LMI borrowers. The loan is forgivable after 20 years and carries a 0 percent interest and no monthly payment.

***Credit Builder Loans:*** Internally-developed combination loan and savings product that assists customers with repairing or establishing credit histories.

***Secured Credit Cards:*** Internally-developed loan product that allows customers to build or enhance credit histories, with flexible underwriting standards for customers that may not otherwise qualify. The card requires a security deposit as collateral, which is held in an interest-bearing account.

**Employee Grant:** Internally-developed product that provides \$5,000 down payment assistance for a primary residential purchase to RBTC employees. The assistance is in the form of a forgivable zero percent second mortgage, which is forgiven after five years.

**Neighborhood Housing Program (NHP):** Internally-developed loan product to improve lending to LMI borrowers or in LMI geographies. The loan includes fixed-rate mortgages (up to 30 years), down payments as low as 3 percent, and lender-paid private mortgage insurance.

**LMI Home Equity Amortizing Loan (LMI HEAL):** Internally-developed closed-end amortizing loan product that provides flexible terms and underwriting criteria for LMI borrowers or LMI geographies.

**LMI Home Equity Line of Credit (LMI HELOC):** Internally-developed open-end line-of-credit product that provides flexible terms and underwriting criteria for LMI borrowers or LMI geographies.

Innovative or Flexible Lending Programs Overall*								
Type of Program	2020		2021		2022		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
FHA	94	18,018	60	11,282	45	9,828	199	39,128
VA	77	19,028	65	15,301	21	5,866	163	40,195
USDA Rural Housing	19	3,343	14	2,496	6	1,153	39	6,992
KHC FHA	63	9,284	56	8,453	36	6,091	155	23,828
KHC	19	2,643	15	2,324	17	6,945	51	11,912
NHP	224	32,469	183	28,329	210	31,059	617	91,857
Fannie Mae Home Ready	23	3,217	28	4,607	13	1,974	64	9,798
Freddie Mac Home Possible	55	8,246	83	13,816	22	3,184	160	25,246
LMI Down Payment Assistance	-	-	-	-	85	494	85	494
SBA	54	26,747	95	55,702	58	29,443	207	111,892
FHLB Welcome Home	36	4,677	33	5,103	5	790	74	10,570
Credit Builder Loans	241	159	230	154	158	120	629	433
Secured Credit Cards	201	119	233	129	147	82	581	330
Employee Grant	13	65	7	35	4	20	24	120
LMI HEAL	108	1,519	91	1,613	39	880	238	4,012
LMI HELOC	11	221	12	256	16	377	39	854
PPP	3,753	537,149	1,860	209,785	-	-	5,613	746,934
<b>Total</b>	<b>4,991</b>	<b>666,904</b>	<b>3,065</b>	<b>359,385</b>	<b>882</b>	<b>98,306</b>	<b>8,938</b>	<b>1,124,595</b>
Source: Bank Data 1/7/2020 – 12/31/2022 *Includes activities outside the AAs								

### **Community Development Loans**

The institution is a leader in community development loans. Consistent performance in the Louisville, Florida, and Cincinnati rated areas supports this rating.

RBTC originated or renewed 185 community development loans totaling \$356.1 million during the evaluation period. The level of activity represents 8.3 percent of total loans and 7.7 percent of average total loans. This level of activity is a significant increase from the prior evaluation when the institution originated or renewed 104 loans totaling only \$137.1 million and 3.3 percent of average total loans.

The institution's performance compared favorably when considering analysis of similarly-situated institutions. Examiners selected five comparable institutions based on asset size, geographic location, and lending focus. These institutions originated 1.8 to 10.1 percent of total loans for community development purposes.

The following tables illustrate community development lending activity by rated area and year. A complete discussion of the performance for this criterion is in the separate assessment sections of this evaluation.

Community Development Lending by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Louisville	29	44,520	20	61,580	8	15,456	33	76,301	90	197,857
Kentucky	3	8,369	7	550	2	3,060	1	1,700	13	13,679
Florida	9	3,662	1	5,000	3	4,240	11	27,908	24	40,810
Cincinnati	18	15,591	6	5,260	14	37,488	4	7,870	42	66,209
Tennessee	5	7,711	-	-	3	5,500	1	1,331	9	14,542
Regional Activities	1	4,183	2	350	1	14,000	3	4,500	7	23,033
<b>Total</b>	<b>65</b>	<b>84,036</b>	<b>36</b>	<b>72,740</b>	<b>31</b>	<b>79,744</b>	<b>53</b>	<b>119,610</b>	<b>185</b>	<b>356,130</b>
Source: Bank Data *1/7/2020 - 12/31/2022										

Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020*	19	19,585	15	57,075	3	625	21	32,674	58	109,959
2021	22	22,951	9	5,660	16	41,381	16	38,914	63	108,906
2022	24	41,500	12	10,005	12	37,738	16	48,022	64	137,265
<b>Total</b>	<b>65</b>	<b>84,036</b>	<b>36</b>	<b>72,740</b>	<b>31</b>	<b>79,744</b>	<b>53</b>	<b>119,610</b>	<b>185</b>	<b>356,130</b>
Source: Bank Data *1/7/2020 - 12/31/2020										

Since the institution sufficiently met the credit needs of the AAs, examiners qualified seven community development loans totaling \$23.0 million that benefited broader regional areas. Below are notable examples of the institution's community development lending efforts outside the AAs:

- In 2022, the institution originated a \$14 million loan to construct an educational facility with workforce development education classes. (Economic Development)
- In 2022, the institution originated a \$4.1 million loan to construct and rehabilitate 68

housing units tied to Low Income Housing Tax Credits (LIHTC). Monthly rent for the units are below Fair Market Rent. (Affordable Housing)

## INVESTMENT TEST

RBTC's Investment Test rating is Outstanding. Performance in the Louisville rated area supports this rating. Examiners derived this conclusion after considering the investment factors detailed in the Appendix of this evaluation.

### Investment and Grant Activity

The institution has an excellent level of qualified community development, investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors. Consistent performance in the Louisville rated area supports this rating.

RBTC originated or retained 365 community development investments (including qualified donations and grants) totaling \$76.8 million during the evaluation period. The level of activity represents 13.3 percent of average total investments, 11.7 percent of total investments, and 1.3 percent of average total assets. This level of activity is a significant increase from the prior evaluation when the institution originated or retained 344 investments totaling only \$44.3 million, representing 8.5 percent of average total investments and 0.8 percent of average total assets.

The institution's performance compared favorably when considering analysis of similarly-situated institutions. Examiners selected five comparable institutions based on asset size, geographic location, and lending focus. Such institutions originated 2.1 to 7.7 percent of total investments for community development purposes.

The following tables illustrate qualified investment activity by rated area and year. A complete discussion of the performance for this criterion is in the separate assessment sections of this evaluation.

Qualified Investments by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Louisville	56	38,350	133	1,816	8	64	1	10	198	40,239
Kentucky	36	13,856	30	73	5	24	-	-	71	13,953
Florida	18	12,046	15	635	-	-	-	-	33	12,681
Cincinnati	18	6,513	25	118	1	500	-	-	44	7,131
Tennessee	11	2,741	5	13	2	4	1	2	19	2,760
<b>Total</b>	<b>139</b>	<b>73,505</b>	<b>208</b>	<b>2,655</b>	<b>16</b>	<b>592</b>	<b>2</b>	<b>12</b>	<b>365</b>	<b>76,764</b>
Source: Bank Data *1/7/2020 - 12/31/2022										

Qualified Investments by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	14	23,845	-	-	1	500	-	-	15	24,345
2020*	4	10,000	2	200	-	-	-	-	6	10,200
2021	4	10,000	-	-	-	-	-	-	4	10,000
2022	6	29,100	1	105	-	-	-	-	7	29,205
<b>Subtotal</b>	28	72,945	3	305	1	500	-	-	32	73,750
Qualified Grants & Donations	111	560	205	2,350	15	92	2	12	333	3,014
<b>Total</b>	<b>139</b>	<b>73,505</b>	<b>208</b>	<b>2,655</b>	<b>16</b>	<b>592</b>	<b>2</b>	<b>12</b>	<b>365</b>	<b>76,764</b>
Source: Bank Data *1/7/2020 - 12/31/2020										

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits excellent responsiveness to credit and community development needs. A substantial majority of qualified investments support affordable housing initiatives, which community contacts identified as a need in all rated areas. A complete discussion of the performance for this criterion is in the separate assessment sections of this evaluation.

### **Community Development Initiatives**

The institution makes extensive use of innovative and/or complex investments to support community development initiatives. By dollar, approximately 95.0 percent of the community development initiatives consist of LIHTC investments.

### **SERVICE TEST**

RBTC's Service Test rating is High Satisfactory. Performance in the Kentucky, Florida, and Cincinnati rated area supports this rating. Examiners derived this conclusion after considering the service factors detailed in the Appendix of this evaluation.

### **Accessibility of Delivery Systems**

Delivery systems are reasonably accessible to essentially all portions of the AA. A complete discussion of the performance for this criterion is in the separate assessment sections of this evaluation. The following table illustrates the Branch and ATM/ITM distribution for all AAs. Since the previous evaluation, RBTC added 39 ITMs, yielding the totals below.

Branch and ATM/ITM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs/ITMs	
	#	%	#	%	#	%	#	%
Low	174	10.7	531,626	8.2	1	2.4	26	18.4
Moderate	379	23.3	1,388,514	21.5	8	19.0	20	14.2
Middle	555	34.2	2,341,684	36.2	16	38.1	41	29.1
Upper	487	30.0	2,162,457	33.5	16	38.1	51	36.2
NA	29	1.8	36,311	0.6	1	2.4	3	2.1
<b>Totals</b>	<b>1624</b>	<b>100.0</b>	<b>6,460,592</b>	<b>100.0</b>	<b>42</b>	<b>100.0</b>	<b>141</b>	<b>100.0</b>
<i>Source: 2015 ACS Data, Bank Data, 06/30/2022 FDIC Summary of Deposits</i>								

### ***Alternative Delivery Systems***

In addition to physical branches and ATMs/ITMs, the institution offers a variety of alternative methods for customers to access banking products and services. These services are consistent across all AAs. Such alternative delivery systems include free access to banking services through online and mobile banking.

The institution markets these free alternative delivery systems to customers via lobby notices, mailers, general advertising, periodic statement messaging, and its internet website. Examiners note that there is reliable broadband and internet service throughout the bank's AAs, allowing bank customers effective access to the virtual bank services, in addition to in-person. Lastly, the bank offers remote deposit capture that allows qualified consumers and commercial customers to scan checks and deposit tickets into their accounts.

While data was not available to assess penetration rates of the alternative delivery systems by the income of the customer, these additional services allow customers to conduct banking transactions without physically accessing an office, enhancing the accessibility of financial services for all community segments (including LMI individuals and small businesses).

### **Changes in Branch Locations**

During the evaluation period, RBTC did not open or close any branches; therefore, this criterion did not affect the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals.

### **Reasonableness of Business Hours and Service**

Services, including business hours, do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and/or to LMI individuals. Operating hours and services do not vary significantly between rated areas or branches or from other institutions' operating within the AAs. Many branches offer extended hours through drive-up windows or weekend hours on Saturday. Business hours are considered reasonable compared to other local financial institutions.

RBTC offers the following low-cost deposit accounts, which are particularly helpful to LMI individuals and small businesses:

- ***Simple Access Checking:*** Internally-developed checking account designed to meet the needs of the Bank On clientele. The Bank On certified checking account does not have overdraft fees or returned items fees. Since the previous evaluation, the institution opened 1,269 accounts totaling approximately \$702,000 in deposits across all rated areas.
- ***Memory Builder Second Chance Checking:*** Internally-developed low-cost online deposit account for customers who are unable to open a checking account due to prior banking histories.

In response to the COVID-19 pandemic, RBTC offered several deposit-related practices to assist bank customers experiencing financial hardship. These included pausing or waiving late fees for all serviced loans, daily overcharges, and other fees, as well as instituted protective status of a customer's Economic Impact Payment (stimulus check) from garnishment.

### **Community Development Services**

RBTC is a leader in providing community development services. Consistent performance in the Louisville, Florida, Cincinnati, and Tennessee rated area supports this rating. RBTC bank officials provided 1,914 instances of financial expertise or technical assistance, totaling 3,513 hours, to community development related organizations throughout the AAs. Of the 1,914 instances, 85.7 percent were recurring activities such as employees serving, participating in, and attending multiple Board, Advisory and/or finance-related committee meetings. This level of total activity represents an increase from the prior evaluation when the institution provided 1,373 instances, totaling 3,148 hours.

The institution's performance compared favorably when considering analysis of similarly-situated institutions. Examiners selected five comparable institutions based on asset size, geographic location, and lending focus. Such institutions participated in 91 to 347 instances of services.

In addition to the community development services shown in the following table, bank officials assisted individuals in obtaining 109 grants and down payment assistance as reflected in the Innovative or Flexible Lending Practices section.

The following tables illustrate qualified investment activity by rated area and year. A complete discussion of the performance for this criterion is in the separate assessment sections of this evaluation.



Community Development Services by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Louisville	366	671	576	967	75	98	0	0	1,017	1,736
Kentucky	53	102	121	284	8	11	2	4	184	401
Florida	86	149	78	162	1	1	0	0	165	312
Cincinnati	44	81	211	505	125	239	24	48	404	873
Tennessee	74	94	17	21	53	76	0	0	144	191
<b>Total</b>	<b>623</b>	<b>1,097</b>	<b>1,003</b>	<b>1,939</b>	<b>262</b>	<b>425</b>	<b>26</b>	<b>52</b>	<b>1,914</b>	<b>3,513</b>
Source: Bank Data										

Community Development Services by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
2020*	227	411	340	655	97	132	7	15	671	1,213
2021	197	321	260	497	88	150	3	6	548	974
2022	199	365	403	787	77	143	16	31	695	1,326
<b>Total</b>	<b>623</b>	<b>1,097</b>	<b>1,003</b>	<b>1,939</b>	<b>262</b>	<b>425</b>	<b>26</b>	<b>52</b>	<b>1,914</b>	<b>3,513</b>
Source: Bank Data *1/7/2020 - 12/31/2020										

## DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the overall CRA rating.

### LOUISVILLE-JEFFERSON COUNTY, KY-IN MULTISTATE MSA (Full-Scope Review)

### CRA RATING FOR LOUISVILLE-JEFFERSON COUNTY, KY-IN MULTISTATE MSA: OUTSTANDING

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: Outstanding

## DESCRIPTION OF INSTITUTION'S OPERATIONS IN LOUISVILLE- JEFFERSON COUNTY, KY-IN MULTISTATE MSA

The Louisville AA consists of all portions of Bullitt, Jefferson, and Shelby Counties in Kentucky, and Clark and Floyd Counties in Indiana. RBTC operates 22 offices, including the main office within this AA, of which 11 are located in upper-income, five in middle-income, four in moderate-income, and one in a low-income census tract. Additionally, one branch is located in an unknown income-designated tract. RBTC did not open or close any branches in this AA since the previous examination. The AA accounts for 63.7 percent of all home mortgage loans, 57.0 percent of small business loans, 72.5 percent of deposits, and 52.4 percent of branches.

### **Economic and Demographic Data**

Based on 2015 ACS data, the Louisville AA is comprised of 264 census tracts with the following designations: 35 low-, 56 moderate-, 98 middle-, and 72 upper-income tracts. The AA also includes three census tracts that do not have an income designation due to nominal populations. The following table illustrates relevant demographic characteristics of the AA considered within the evaluation.

Demographic Information of the Assessment Area						
Assessment Area: Louisville						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	264	13.3	21.2	37.1	27.3	1.1
Population by Geography	1,066,141	9.8	18.6	41.7	29.5	0.3
Housing Units by Geography	468,057	10.4	19.8	41.1	28.3	0.5
Owner-Occupied Units by Geography	275,457	4.6	15.0	44.7	35.7	0.1
Occupied Rental Units by Geography	147,675	18.1	27.3	36.3	17.4	0.9
Vacant Units by Geography	44,925	20.3	24.9	35.0	18.5	1.3
Businesses by Geography	113,819	8.1	16.0	34.6	38.0	3.4
Farms by Geography	2,911	4.3	11.4	43.9	39.6	0.9
Family Distribution by Income Level	266,568	21.6	17.7	20.3	40.4	0.0
Household Distribution by Income Level	423,132	25.1	16.0	17.9	41.1	0.0
Median Family Income MSA - 31140 Louisville/Jefferson County, KY-IN MSA		\$64,965	Median Housing Value			\$157,509
			Median Gross Rent			\$749
			Families Below Poverty Level			10.8%
Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.						

According to 2015 ACS data above, the AA contains 468,057 housing units, with 58.9 owner-occupied, 31.5 occupied rental, and 9.6 vacant units, indicating the opportunity level for home

mortgage lending. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

According to 2021 D&B data, there are 113,819 businesses operating in the AA. This is an increase of 42,465 additional businesses since the previous evaluation, demonstrating a substantial increase in lending opportunities. The services industry represents the largest portion of businesses at 36.2 percent, followed by finance, insurance and real estate at 12.4 percent, and retail trade at 10.4 percent. In addition, 61.3 percent of total businesses have four or fewer employees, and 91.5 percent operate from a single location, indicating the opportunity to lend to small businesses.

Also, according to 2021 D&B data, gross annual revenues (GARs) for these businesses include 87.7 percent with \$1 million or less, 4.0 percent with more than \$1 million, and 8.3 percent with unknown revenues. The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR level.

Examiners used 2020 and 2021 Federal Financial Institutions Examination Council (FFIEC) Median Family Income (MFI) levels to analyze home mortgage lending under the Borrower Profile criterion. The follow table illustrates the income categories for the AA.

<b>MFI Ranges Louisville/Jefferson County, KY-IN (31140)</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2020 (\$74,100)	<\$37,050	\$37,050 to <\$59,280	\$59,280 to <\$88,920	≥\$88,920
2021 (\$75,500)	<\$37,750	\$37,750 to <\$60,400	\$60,400 to <\$90,600	≥\$90,600
<i>Source: FFIEC</i>				

Examiners considered unemployment data when evaluating the institution's ability to lend within the AA. According to 2021 and 2022 U.S. Bureau of Labor Statistics data, the AA experienced increased unemployment levels, averaging 5.1 percent, likely due to the COVID-19 Pandemic. This could indicate potential difficulties and weaknesses in the labor force and lending opportunities. The AA levels were comparable to the Kentucky and Indiana State averages of 5.6 and 5.4 percent, respectively.

### **Competition**

RBTC operates in a highly-competitive market for financial services. According to the June 30, 2022, FDIC Deposit Market Share data, 32 financial institutions operate 302 full-service branches within the AA. Of these institutions, RBTC operates 22 branches with 8.7 percent of the deposit market share.

Aggregate HMDA data indicates a high level of competition for home mortgage lending within the AA. In 2020, 525 lenders originated or purchased 64,385 home mortgage loans, with the top three lenders originating 14.1 percent of these loans. RBTC ranked second among these lenders, with 4.6 percent of the market share. In 2021, 522 lenders originated or purchased 64,414 home mortgage loans, with the top three lenders originating 15.5 percent of these loans. RBTC ranked fourth among these lenders, with 4.0 percent of the market share.

Aggregate small business lending data for 2020 also identifies a high level of competition for small business lending within the AA. In 2020, 164 lenders originated or purchased 23,188 small business loans, with the top three lenders originating 34.7 percent of these loans, indicating a highly-concentrated market. RBTC ranked third among these lenders, with 10.6 percent of the market share.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying credit and community development needs and opportunities, including banks' responsiveness to those needs.

Examiners reviewed a recent community contact with a local realtor in Jefferson County. The contact stated that economic conditions are fair post-pandemic; however, there is a continued housing shortage throughout the area, specifically with affordable housing for LMI families and individuals. The contact also indicated banks are adequately addressing credit and community needs, offering a variety of loan products; however, the market remains highly competitive for local banks.

### **Credit and Community Development Needs and Opportunities**

Considering information from community contacts, bank management, demographic and economic data, examiners determined home mortgage, specifically affordable housing, and small business lending represent the primary credit needs of the Louisville AA.

## **SCOPE OF EVALUATION – LOUISVILLE-JEFFERSON COUNTY, KY-IN MULTISTATE MSA (LOUISVILLE AA)**

The rating for the multi-state MSA is reflective of the full-scope assessment of the Louisville AA. Refer to the overall Scope section for additional details.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN LOUISVILLE AA**

### **LENDING TEST**

The Lending Test is rated Outstanding for this AA. This performance reflects excellent performance in meeting the credit and community development needs in the area.

### **Lending Activity**

Lending levels reflect excellent responsiveness to the Louisville AA credit needs. Examiners reviewed the number and dollar volume of loans originated and purchased during the review period, as well as market share reports, aggregate lending data, and demographic data.

Home mortgage and small business volume increased substantially since the prior evaluation. As recorded in the prior evaluation, in 2018 and 2019, RBTC originated or renewed a total of 4,715 HMDA loans totaling \$732.5 million and 1,829 small business loans totaling 372.6 million. In 2020 and 2021, RBTC originated or renewed 5,533 HMDA loans totaling \$1.05 billion and 4,058

small business loans totaling \$566.4 million, representing a 17.1 percent increase by number of HMDA loans and 121.9 percent increase by number of small business loans. Examiners noted substantial growth in both loan categories since the prior evaluation.

As discussed in the above Competition section, RBTC operates 22 branches within this AA. In 2021, RBTC ranked fourth among aggregate lenders with 4.0 percent of the HMDA market share. In 2020, RBTC ranked third among aggregate lender with 10.6 percent of the small business market share.

### **Geographic Distribution**

Overall, the geographic distribution of loans reflects good penetration throughout the AA. This conclusion is supported by good home mortgage performance and adequate small business performance.

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects good penetration throughout the Louisville AA. As illustrated in the table below, bank performance was similar to demographic and slightly exceeded aggregate performance in low-income census tracts in both 2020 and 2021. In addition, bank performance slightly exceeded aggregate performance in moderate-income census tracts in both 2021 and 2021. Since the aggregate data is generally a better indicator of demand, the evaluation gave more weight to this comparison.

Geographic Distribution of Home Mortgage Loans – Louisville AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	4.6	2.4	110	3.7	17,291	3.1
2021	4.6	3.1	108	4.2	11,748	2.4
Moderate						
2020	15.0	10.3	363	12.3	48,356	8.6
2021	15.0	12.5	357	13.8	56,539	11.5
Middle						
2020	44.7	41.4	994	33.7	150,157	26.7
2021	44.7	43.0	956	37.1	143,335	29.2
Upper						
2020	35.7	45.8	1,483	50.2	345,920	61.5
2021	35.7	41.4	1,156	44.8	278,033	56.7
Not Available						
2020	0.1	0.1	3	0.1	1,047	0.2
2021	0.1	0.1	3	0.1	521	0.1
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>2,953</b>	<b>100.0</b>	<b>562,771</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>2,580</b>	<b>100.0</b>	<b>490,176</b>	<b>100.0</b>
Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

### ***Small Business Loans***

The geographic distribution of small business loans reflects adequate penetration throughout the Louisville AA. As illustrated in the table below, bank performance in low-income census tracts exceeded aggregate performance in 2020 and demographic data in both 2020 and 2021. In moderate-income census, bank performance slightly trailed aggregate performance in 2020, and results were similar in 2021.

Geographic Distribution of Small Business Loans – Louisville AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	7.7	7.7	210	8.5	29,448	8.9
2021	8.1	--	151	9.5	25,921	10.9
Moderate						
2020	15.7	14.7	335	13.6	54,624	16.6
2021	16.0	--	212	13.3	32,437	13.7
Middle						
2020	34.3	32.8	735	29.8	98,553	29.9
2021	34.6	--	458	28.8	74,002	31.3
Upper						
2020	38.5	40.7	1,049	42.5	122,437	37.1
2021	38.0	--	666	41.9	87,110	36.8
Not Available						
2020	3.8	4.1	139	5.6	24,640	7.5
2021	3.4	--	103	6.5	17,266	7.3
Totals						
2020	100.0	100.0	2,468	100.0	329,702	100.0
2021	100.0	--	1,590	100.0	236,736	100.0
Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

### **Borrower Profile**

Overall, the distribution of borrowers reflects good penetration among borrowers of different income levels and businesses of different sizes. This conclusion is supported by good home mortgage performance and adequate small business performance.

### ***Home Mortgage Loans***

The distribution of home mortgage loans to individuals of different income levels, including LMI borrowers, is good. The table below illustrates the bank's mortgage lending performance by borrower income levels within the AA.

In 2020 and 2021, the bank's performance to low-income borrowers exceeds aggregate, but is less than demographic. However, the performance is considered good based on demographic and economic characteristics of the AA. Of the 21.6 percent of low-income families, 10.8 percent live below the poverty level, which can create a lack of lending opportunities. Due to their limited financial resources, families with income below the poverty level generally do not have the capacity to support a home mortgage, limiting the demand and opportunity to lend to low-income borrowers.

In 2020 and 2021, the bank's performance of lending to moderate-income borrowers exceeds demographic data and is similar to or exceeds aggregate data, representing good performance.

<b>Distribution of Home Mortgage Loans by Borrower Income Level – Louisville AA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	21.6	8.5	269	9.1	24,321	4.3
2021	21.6	9.2	295	11.4	31,184	6.4
Moderate						
2020	17.7	18.8	542	18.4	65,073	11.6
2021	17.7	21.4	601	23.3	76,101	15.5
Middle						
2020	20.3	20.4	555	18.8	88,893	15.8
2021	20.3	20.8	497	19.3	82,153	16.8
Upper						
2020	40.4	36.5	1,269	43.0	309,766	55.0
2021	40.4	31.4	967	37.5	246,401	50.3
Not Available						
2020	0.0	15.8	318	10.8	74,717	13.3
2021	0.0	17.2	220	8.5	54,338	11.1
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>2,953</b>	<b>100.0</b>	<b>562,771</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>2,580</b>	<b>100.0</b>	<b>490,177</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 &amp; 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The distribution of small business loans reflects adequate penetration to businesses with GARs of \$1 million or less. The following table illustrates the distribution of small business loans by revenue levels through the AA.

In 2020 and 2021, bank performance significantly trailed demographic and aggregate data; however, the disparity is largely attributable to the significant volume of loans categorized as Revenue Not Available. Specifically, PPP loans composed 74.1 percent of the small business loans in 2020 and 47.1 percent in 2021, which had a disproportionate and adverse effect on the distribution of small business loans, as the institution did not collect revenue information on PPP loans. Adjusting performance to exclude these loans provides a more accurate picture of the bank's effectiveness in penetrating small businesses. If the loans where revenue are not available are excluded from the analysis, the bank's concentration lending to businesses with revenue at or below \$1 million increases to 54.9 and 55.7 percent by number in 2020 and 2021, respectively.



Considering the impact of loans for which revenue is unavailable, performance is considered adequate.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category – Louisville AA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000						
2020	85.3	35.6	350	14.2	56,958	17.3
2021	87.7	--	429	27.0	91,692	38.7
>\$1,000,000						
2020	5.0	--	287	11.6	83,809	25.4
2021	4.0	--	341	21.4	107,582	45.4
Revenue Not Available						
2020	9.7	--	1,831	74.2	188,935	57.3
2021	8.3	--	820	51.6	37,462	15.8
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>2,468</b>	<b>100.0</b>	<b>329,702</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>1,590</b>	<b>100.0</b>	<b>236,736</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### **Innovative or Flexible Lending Practices**

The institution makes extensive use of innovative and/or flexible lending practices in order to serve the Louisville AA credit needs. As illustrated in the table below, RBTC facilitated 5,202 loans totaling \$610.9 million within the Louisville AA during the evaluation period. This represents 54.3 percent of the bank's total flexible lending products. Refer to previous sections for additional details regarding the programs.

<b>Innovative or Flexible Lending Programs - Louisville AA</b>								
<b>Type of Program</b>	<b>2020</b>		<b>2021</b>		<b>2022</b>		<b>Total</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
FHA	53	9,866	40	7,453	24	4,616	<b>117</b>	<b>21,935</b>
VA	39	9,131	34	7,823	13	3,063	<b>86</b>	<b>20,017</b>
USDA Rural Housing	6	1,157	4	800	1	148	<b>11</b>	<b>2,105</b>
KHC - FHA	42	6,064	41	6,125	25	4,190	<b>108</b>	<b>16,379</b>
KHC	11	1,339	10	1,583	10	1,611	<b>31</b>	<b>4,533</b>
NHP	161	21,464	152	23,038	170	25,777	<b>483</b>	<b>70,279</b>
Fannie Mae Home Ready	11	1,531	19	2,765	9	1,434	<b>39</b>	<b>5,730</b>
Freddie Mac Home Possible	37	4,972	54	8,605	12	1,699	<b>103</b>	<b>15,276</b>
LMI down payment Assistance	-	-	-	-	70	408	<b>70</b>	<b>408</b>
SBA	22	14,891	35	13,068	22	13,737	<b>79</b>	<b>41,696</b>
FHLB Welcome Home	32	4,177	27	4,128	5	790	<b>64</b>	<b>9,095</b>
Credit Builder Loans	184	117	166	106	106	85	<b>456</b>	<b>308</b>
Secured Credit Cards	156	84	190	102	122	66	<b>468</b>	<b>252</b>
Employee Grant	13	65	7	35	3	15	<b>23</b>	<b>115</b>
LMI HEAL	81	1,370	81	1,476	31	734	<b>193</b>	<b>3,580</b>
LMI HELOC	7	129	10	210	14	345	<b>31</b>	<b>684</b>
PPP	1,879	284,932	961	113,563	-	-	<b>2,840</b>	<b>398,495</b>
<b>Total</b>	<b>2,734</b>	<b>361,289</b>	<b>1,831</b>	<b>190,880</b>	<b>637</b>	<b>58,718</b>	<b>5,202</b>	<b>610,887</b>
<i>Source: Bank Data 1/7/2020 – 12/31/2022</i>								

### **Community Development Loans**

RBTC is a leader in making community development loans in the Louisville AA. The bank originated or renewed 90 community development loans totaling \$197.9 million in this AA during the evaluation period. This level of activity (by dollar) in the Louisville AA accounts for 55.6 percent of total community development loans. This level of activity is consistent with the size of the bank's operations in the AA and represents a significant increase of 201.7 percent in dollar volume from the prior evaluation. The following table illustrates these lending activities by year and purpose within the AA.

<b>Community Development Lending - Louisville AA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2020*	6	3,864	8	53,775	2	125	12	19,937	<b>28</b>	<b>77,701</b>
2021	10	12,520	5	3,450	5	12,105	9	15,761	<b>29</b>	<b>43,836</b>
2022	13	28,136	7	4,355	1	3,226	12	40,603	<b>33</b>	<b>76,320</b>
<b>Total</b>	<b>29</b>	<b>44,520</b>	<b>20</b>	<b>61,580</b>	<b>8</b>	<b>15,456</b>	<b>33</b>	<b>76,301</b>	<b>90</b>	<b>197,857</b>
<i>Source: Bank Data *1/7/2020 - 12/31/2020</i>										

Below are notable examples of community development loans in the Louisville AA:

- The bank was the lead participant in a \$10 million loan to complete the financing of a local multi-sport complex and venue in a low-income census tract. The facility hosts sports, education, and community programs to bolster economic development in the area. (Revitalize or Stabilize)
- The bank originated a \$4.4 million line of credit to an affordable housing developer in the AA to be used for additional housing development projects. (Affordable Housing)
- The bank originated a \$3.5 million loan to purchase a 62-unit affordable housing complex in a moderate-income census tract in the AA. (Affordable Housing)

## INVESTMENT TEST

The Investment Test is rated Outstanding for this AA. This performance reflects excellent performance in meeting the investment and community development needs in the area.

### Investment and Grant Activity

The institution has an excellent level of qualified community development investment and grants, often in a leadership position, particularly those not routinely provided by private investors.

RBTC originated or retained 198 community development investments totaling \$40.2 million during the evaluation period. This level of activity (by dollar) in the Louisville AA accounts for 52.4 percent of total qualified investments. This level of activity is consistent with the size of the bank's operations in the AA and represents a 53.5 percent increase in a dollar volume since the previous evaluation.

The following table illustrates qualified investment activity by year and purpose.

Qualified Investments - Louisville AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	7	16,040	-	-	-	-	-	-	7	16,040
2020*	2	6,000	2	200	-	-	-	-	4	6,200
2021	2	2,000	-	-	-	-	-	-	2	2,000
2022	2	14,000	1	105	-	-	-	-	3	14,105
<b>Subtotal</b>	<b>13</b>	<b>38,040</b>	<b>3</b>	<b>305</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>38,344</b>
Qualified Grants & Donations	43	310	130	1,511	8	64	1	10	182	1,895
<b>Total</b>	<b>56</b>	<b>38,350</b>	<b>133</b>	<b>1,816</b>	<b>8</b>	<b>64</b>	<b>1</b>	<b>10</b>	<b>198</b>	<b>40,239</b>
Source: Bank Data * 1/7/2020 - 12/31/2020										

Below are notable examples of community development investments in the Louisville AA:

- The institution made a \$3 million investment to a LIHTC fund to support the redevelopment of a local mixed-income housing project in the AA that will include 185 units in 12 buildings. (Affordable Housing)
- The institution made an additional \$3 million investment to a LIHTC fund to support financing of a 198-unit project in which a majority of units support LMI families and individuals. (Affordable Housing)
- Throughout the evaluation period, the institution made multiple donations, totaling \$600,000 to support the financing of a local health and wellness community center in a low-income census tract. The center provides a variety of services, such as behavior and mental health counseling, financial literacy, medical care, childcare, exercise facilities, and nutritional support. (Community Service)

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits excellent responsiveness to credit and community development needs. A substantial majority of qualified investments support affordable housing initiatives, which demonstrates the bank's responsiveness to the community development needs identified by community contacts.

### **Community Development Initiatives**

The institution makes extensive use of innovative and/or complex investments to support community development initiatives. By dollar, approximately 94.5 percent of the community development initiatives in the Louisville AA consist of LIHTC investments.

### **SERVICE TEST**

The Service Test is rated Outstanding for this AA. This performance reflects excellent performance in meeting the service and community development needs in the area.

### **Accessibility of Delivery Systems**

Delivery systems are reasonably accessible to essentially all portions of the AA. As illustrated in the following table, of the 22 branches in the AA, the bank operates one branch (the main office) in a low-income census tract and four branches in moderate-income census tracts. The bank operates 36 ATMs/ITMs in LMI census tracts, which are located at all branch locations and feature video access to live tellers and extended hours. The following table illustrates the overall distribution of census tracts, population, branches, ATMs, and ITMs throughout the AA.

<b>Branch and ATM/ITM Distribution by Geography Income Level – Louisville AA</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs/ITMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	35	13.3	104,825	9.8	1	4.5%	21	21.4
Moderate	56	21.2	198,781	18.6	4	18.2%	15	15.3
Middle	98	37.1	444,231	41.7	5	22.7%	23	23.5
Upper	72	27.3	314,682	29.5	11	50.0%	36	36.7
NA	3	1.1	3,622	0.3	1	4.5%	3	3.1
<b>Totals</b>	<b>264</b>	<b>100.0</b>	<b>1,066,141</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>98</b>	<b>100.0</b>
<i>Source: 2015 ACS &amp; Bank Data. Due to rounding, totals may not equal 100.0%</i>								

### **Changes in Branch Locations**

RBTC did not open or close any branches in the AA during the evaluation period. Therefore, this criterion did not affect the accessibility of its delivery systems, particularly in LMI census tracts or to LMI borrowers.

### **Reasonableness of Business Hours and Services**

Services, including business hours, are tailored to the convenience and needs of the AA, particularly LMI geographies and individuals. Of the 22 branches in the AA, 10 operate on Saturdays, including four branches in LMI census tracts, to ensure customers are adequately served. Additionally, alternative delivery channels (including ATMs, ITMs, mobile banking, and online banking) ensure customers are adequately served.

RBTC remains in a leadership role with the Bank On Louisville program, which seeks to connect individuals who lack adequate access to mainstream financial services with financial institutions that offer free or low-cost banking products. Through this program, RBTC developed the Simple Access Checking account. During the review period, RBTC opened 993 deposit accounts in conjunction with the Bank On Louisville programs, totaling \$435.4 thousand.

### **Community Development Services**

RBTC is a leader in providing community development services in the AA. During the evaluation period, bank officials provided 1,017 instances, totaling 1,736 hours of financial expertise or technical assistance to community development-related organization in the AA. Services in the Louisville AA account for 53.1 percent by number and 49.4 percent by hour of the bank's total qualified activities, which is appropriate given the bank's significant presence in the Louisville market. This level of activity is similar to the previous examination.

Of the 1,017 instances, 881 (50.8 percent) were recurring activities such as employees serving, participating, and attending multiple Board, Advisory, and/or finance-related committee meetings. The following table illustrates community development service activity by year and purpose.

Community Development Services - Louisville AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
2020*	137	235	180	323	47	51	-	-	364	609
2021	119	209	179	267	23	38	-	-	321	514
2022	110	227	217	377	5	9	-	-	332	613
<b>Total</b>	<b>366</b>	<b>671</b>	<b>576</b>	<b>967</b>	<b>75</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>1,017</b>	<b>1,736</b>
<i>Source: Bank Data * 1/7/2020 – 12/31/2020</i>										

Below are notable examples of the institution's qualified services in the AA:

- Employees facilitated financial literacy courses to LMI borrowers or in LMI geographies approximately 108 times during the review period, totaling 223 hours. Courses consisted of a variety of topics, including LMI first-time homebuyers and students in LMI areas. (Community Services)
- The bank initiated a seven-week financial literacy series with a local non-profit organization in the AA, which provides substance abuse centers and housing for families, veterans, and low-income seniors. (Community Services)
- Members of executive management serve of the Board of Directors and the Fundraising Committee of a local charitable organization that provides workforce development services, housing services, and youth development and education across LMI areas and to LMI individuals. (Community Services)

## STATE OF KENTUCKY (Full-Scope Review)

**CRA RATING FOR STATE OF KENTUCKY: SATISFACTORY**

**The Lending Test is rated: High Satisfactory**

**The Investment Test is rated: Outstanding**

**The Service Test is rated: High Satisfactory**

## DESCRIPTION OF OPERATIONS IN THE STATE OF KENTUCKY

The Kentucky AA consists of all portions of Fayette and Scott Counties in Kentucky, which are both located within the Lexington-Fayette, KY MSA. RBTC operates six branches within this AA. One branch is in an upper-income census tract, four branches are in middle-income census tracts, and one branch is in a moderate-income census tract. RBTC did not open or close any branches in this AA since the previous examination. The AA accounts for 12.5 percent of all home mortgage loans, 9.5 percent of small business loans, 7.9 percent of deposits, and 14.3 percent of branches.

### **Economic and Demographic Data**

Based on 2015 ACS data, the Kentucky AA is comprised of 96 census tracts with the following designations: 10 low-, 19 moderate-, 37 middle-, and 30 upper- income tracts. The following table illustrates relevant demographic characteristics of the AA considered within the evaluation.

Demographic Information of the Assessment Area						
Assessment Area: Lexington						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	96	10.4	19.8	38.5	31.3	0.0
Population by Geography	358,484	10.0	20.6	37.7	31.7	0.0
Housing Units by Geography	158,039	10.2	21.9	38.1	29.8	0.0
Owner-Occupied Units by Geography	81,213	5.3	14.7	39.5	40.6	0.0
Occupied Rental Units by Geography	62,960	15.6	30.8	36.0	17.7	0.0
Vacant Units by Geography	13,866	14.6	23.8	39.1	22.5	0.0
Businesses by Geography	40,803	7.1	15.4	42.2	35.3	0.0
Farms by Geography	1,523	5.5	8.5	45.1	40.8	0.0
Family Distribution by Income Level	86,040	22.4	15.7	18.9	42.9	0.0
Household Distribution by Income Level	144,173	25.8	15.2	15.6	43.4	0.0
Median Family Income MSA - 30460 Lexington-Fayette, KY MSA		\$66,800	Median Housing Value			\$178,777
			Median Gross Rent			\$780
			Families Below Poverty Level			11.6%
Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.						

According to the 2015 ACS data above, the AA contains 158,039 housing units, with 51.4 owner-occupied, 39.8 occupied rental, and 8.8 vacant units, indicating the opportunity level for home mortgage lending. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

According to 2021 D&B data, there are 40,803 businesses operating in the AA. This is an increase of approximately 10,846 additional businesses since the previous evaluation with 2018 D&B data, demonstrating increased lending opportunities. The services industry represents the largest portion of AA businesses at 38.0 percent, followed by finance, insurance, and real estate at 12.0 percent and retail trade at 10.1 percent. In addition, 61.2 percent of businesses have four or fewer employees, and 90.9 percent operate from a single location, indicating the opportunity to lend to small businesses.

Also according to 2021 D&B data, GARs for these businesses include 87.3 percent with \$1 million or less, 3.7 percent with more than \$1 million, and 9.0 percent with unknown revenues. The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR level.

Examiners use the 2020 and 2021 FFIEC-updated MFI to analyze home mortgage loans under the Borrower Profile criterion. The table below illustrates the income categories for the Kentucky AA.

<b>MFI Ranges Lexington-Fayette, KY MSA Median Family Income (30460)</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2020 (\$79,400)	<\$39,700	\$39,700 to <\$63,520	\$63,520 to <\$95,280	≥\$95,280
2021 (\$75,500)	<\$37,750	\$37,750 to <\$60,400	\$60,400 to <\$90,600	≥\$90,600
<i>Source: FFIEC</i>				

Examiners considered unemployment data when evaluating the bank's ability to lend within the AA. According to 2021 and 2022 U.S. Bureau of Labor Statistics data, the AA experienced increased unemployment levels, averaging 4.8 percent, likely due to the COVID-19 Pandemic. This could indicate potential difficulties and weaknesses in the labor force and lending opportunities. The AA levels were slightly below the Kentucky state average of 5.6 percent.

### **Competition**

RBTC operates in a moderately-competitive environment for financial services. According to the June 30, 2022, FDIC Deposit Market Share data, 34 financial institutions operate 134 full-service branches within the AA. Of these institutions, RBTC operates six branches with 2.9 percent of the deposit market share.

Aggregate HMDA data indicates a moderate level of competition for home mortgage lending within the AA. In 2020, 373 lenders originated or purchased 21,487 home mortgage loans, with the top three lenders originating 16.3 percent of these loans. RBTC ranked 10<sup>th</sup> among these lenders, with 2.4 percent of the market share. In 2021, 377 lenders originated or purchased 21,909 home mortgage loans, with the top three lenders originating 18.2 percent of these loans. RBTC ranked 11<sup>th</sup> among these lenders, with 2.0 percent of the market share.

Aggregate small business lending data for 2020 also identifies a moderate level of competition for small business lending within the AA. In 2020, 113 lenders originated or purchased 9,520 small business loans, with the top three lenders originating 40.2 percent of these loans. RBTC ranked fifth among these lenders, with 4.6 percent of the market share.

### **Community Contacts**

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying credit and community development needs and opportunities, including banks' responsiveness to those needs. Examiners reviewed two community contacts within the Kentucky AA.

Examiners reviewed contacts with a local affordable housing organization and an economic development organization that assists businesses looking to relocate to the Lexington area. The economic development organization contact stated that small business lending is a primary credit need; however, there are limited employment growth opportunities in the area and businesses



continue to struggle with employee and talent retention. Similarly, the contact stated the area has limited housing growth opportunity due to most of the area being developed for housing; however, both contacts believe there is a continued primary credit need for affordable housing.

The affordable housing organization contact also stated there is healthy competition in the area, and banks continue to compete for the limited investment opportunities to support affordable housing and small business initiatives. Consistent with employment and housing demands, the contact stated investment opportunities are restricted due to the region being nearly fully developed by pre-existing businesses and housing developments. Overall, the contacts believe local banks are meeting the credit needs of the community given the limited opportunities.

### **Credit and Community Development Needs and Opportunities**

Considering information from community contacts, bank management, demographic and economic data, examiners determined home mortgage, specifically affordable housing, and small business lending represent the primary credit needs of the Kentucky AA.

## **SCOPE OF EVALUATION – STATE OF KENTUCKY (KENTUCKY AA)**

The rating for the State of Kentucky is reflective of the full-scope assessment of the Kentucky AA. Refer to the overall Scope section for additional details.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN KENTUCKY AA**

### **LENDING TEST**

The Lending Test is rated High Satisfactory for this AA. This performance reflects good performance in meeting the credit and community development needs in the area.

### **Lending Activity**

Lending levels reflect excellent responsiveness to the Kentucky AA credit needs. Examiners reviewed the number and dollar volume of loans originated and purchased during the review period, as well as market share reports, aggregate lending data, and demographic data.

Home mortgage and small business volume increased since the prior evaluation. As recorded in the prior evaluation, in 2018 and 2019, RBTC originated or renewed 735 HMDA loans totaling \$126.3 million and 239 small business loans totaling 42.6 million. In 2020 and 2021, RBTC originated or renewed 951 HMDA loans totaling \$206.3 million and 730 small business loans totaling \$94.9 million, representing a 29.4 percent increase by number of HMDA loans and 205.4 percent increase by number of small business loans. Examiners noted substantial loan growth in small business loans since the prior evaluation. Overall, the concentration of lending in this AA (at 12.5 and 9.5 percent in HMDA and small business lending, respectively) outpaces the deposit concentration (at 7.9 percent) in this market.

As discussed in the above Competition section, in 2021, RBTC ranked 11<sup>th</sup> among aggregate lenders with 2.0 percent of the HMDA market share. In 2020, RBTC ranked fifth among aggregate lender with 4.6 percent of the small business market share.

### **Geographic Distribution**

Overall, the geographic distribution of loans reflects good penetration throughout the AA. This conclusion is supported by good home mortgage performance and adequate small business performance.

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects good penetration throughout the Kentucky AA. As illustrated in the table below, bank performance slightly exceeded aggregate performance in low-income census tracts in both 2020 and 2021.

Similarly, bank performance exceeded aggregate performance in 2020 and 2021 in moderate-income census tracts. Notably, bank performance exceeded both aggregate performance and demographic data in 2021.

<b>Geographic Distribution of Home Mortgage Loans – Kentucky AA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	5.3	2.9	16	3.1	2,044	2.0
2021	5.3	3.7	18	4.2	5,498	5.4
Moderate						
2020	14.7	10.9	59	11.4	7,783	7.5
2021	14.7	12.5	65	15.0	10,531	10.3
Middle						
2020	39.5	37.8	190	36.7	36,340	35.1
2021	39.5	37.9	151	34.9	33,930	33.0
Upper						
2020	40.6	48.4	253	48.8	57,373	55.4
2021	40.6	46.0	199	46.0	52,776	51.4
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>518</b>	<b>100.0</b>	<b>103,539</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>433</b>	<b>100.0</b>	<b>102,734</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 &amp; 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The geographic distribution of small business loans reflects adequate penetration throughout the Kentucky AA. As illustrated in the table below, bank performance in low-income census tracts

exceeded demographic data in 2020 and 2021. Further, bank performance exceeded aggregate performance in 2020.

Bank performance in moderate-income census tracts was below aggregate performance in 2020 and demographic data in both 2020 and 2021; however, in 2021 performance improved to more closely align with demographic data.

<b>Geographic Distribution of Small Business Loans – Kentucky AA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	6.8	7.2	40	9.0	9,216	16.8
2021	7.1	--	31	10.8	8,210	20.5
Moderate						
2020	15.3	14.6	37	8.4	3,830	7.0
2021	15.4	--	36	12.5	4,928	12.3
Middle						
2020	43.1	42.9	210	47.5	24,850	45.2
2021	42.2	--	132	45.8	18,077	45.2
Upper						
2020	34.8	35.2	155	35.1	17,064	31.0
2021	35.3	--	89	30.9	8,792	22.0
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>442</b>	<b>100.0</b>	<b>54,960</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>288</b>	<b>100.0</b>	<b>40,007</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### **Borrower Profile**

Overall, the distribution of borrowers reflects good penetration among borrowers of different income levels, and businesses of different sizes. This conclusion is supported by good home mortgage and good small business lending performance.

### ***Home Mortgage Loans***

The distribution of home mortgage loans to individuals of different income levels, including LMI borrowers, is good. The table below illustrates the bank's mortgage lending performance by borrower income levels within the AA.

In 2020 and 2021, the bank's performance to low-income borrowers exceeds aggregate, but is less than demographic. However, the performance is considered good based on demographic and

economic characteristics of the AA. Of the 22.4 percent of low-income families, 11.6 percent live below the poverty level, which can create a lack of lending opportunities. Due to their limited financial resources, families with income below the poverty level generally do not have the capacity to support a home mortgage, limiting the demand and opportunity to lend to low-income borrowers.

In 2020 and 2021, the bank's performance of lending to moderate-income borrowers exceeds demographic and aggregate data and represents good performance.

<b>Distribution of Home Mortgage Loans by Borrower Income Level – Kentucky AA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	22.4	6.4	57	11.0	6,627	6.4
2021	22.4	6.5	31	7.2	3,303	3.2
Moderate						
2020	15.7	18.7	130	25.1	18,141	17.5
2021	15.7	18.1	109	25.2	17,309	16.8
Middle						
2020	18.9	20.9	103	19.9	18,701	18.1
2021	18.9	20.6	88	20.3	16,358	15.9
Upper						
2020	42.9	38.2	205	39.6	52,821	51.0
2021	42.9	38.3	182	42.0	53,005	51.6
Not Available						
2020	0.0	15.7	23	4.4	7,249	7.0
2021	0.0	16.5	23	5.3	12,759	12.4
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>518</b>	<b>100.0</b>	<b>103,539</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>433</b>	<b>100.0</b>	<b>102,734</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 &amp; 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The distribution of small business loans reflects good penetration to businesses with GARs of \$1 million or less. The following table illustrates the distribution of small business loans by revenue levels through the AA.

As illustrated in the tables below, in 2020 and 2021, bank performance significantly trailed demographic and aggregate data, and in 2021 significantly trailed demographic data; however, the disparity is largely attributable to the significant volume of loans categorized as Revenue Not Available. Specifically, PPP loans composed 77.1 percent of the small business loans in 2020 and

59.0 percent in 2021, which had a disproportionate and adverse effect on the distribution of small business loans, as the institution did not collect revenue information on PPP loans. Adjusting performance to exclude these loans indicates improved performance. More specifically, if the loans where revenue are not available are excluded from the analysis, the bank's concentration lending to businesses with revenue at or below \$1 million increases to 69.3 and 53.4 percent by number in 2020 and 2021, respectively.

Overall, the institution's performance under this factor is good given the unique performance context regarding PPP loans.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category - Kentucky AA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>						
2020	85.1	40.4	70	15.8	16,628	30.3
2021	87.3	--	63	21.9	15,522	38.8
<b>&gt;\$1,000,000</b>						
2020	4.5	--	31	7.0	9,380	17.1
2021	3.7	--	55	19.1	16,789	42.0
<b>Revenue Not Available</b>						
2020	10.4	--	341	77.1	28,952	52.7
2021	9.0	--	170	59.0	7,696	19.2
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>442</b>	<b>100.0</b>	<b>54,960</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>288</b>	<b>100.0</b>	<b>40,007</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### **Innovative or Flexible Lending Practices**

The institution makes extensive use of innovative and/or flexible lending practices in order to serve the Kentucky AA credit needs. As illustrated in the table below, RBTC facilitated 860 loans totaling \$82.7 million within the Kentucky AA during the evaluation period, which represents 7.4 percent of the total flexible lending products. Refer to previous sections for additional details regarding the programs.

<b>Innovative or Flexible Lending Programs - Kentucky AA</b>								
<b>Type of Program</b>	<b>2020</b>		<b>2021</b>		<b>2022</b>		<b>Total</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
FHA	12	2,642	6	1,422	2	483	<b>20</b>	<b>4,547</b>
VA	7	1,644	3	642	1	250	<b>11</b>	<b>2,536</b>
USDA Rural Housing	-	-	1	205	-	-	<b>1</b>	<b>205</b>
KHC - FHA	8	1,432	4	637	-	-	<b>12</b>	<b>2,069</b>
KHC	4	606	2	432	1	204	<b>7</b>	<b>1,242</b>
NHP	33	5,725	10	1,811	19	1,678	<b>62</b>	<b>9,214</b>
Fannie Mae Home Ready	5	825	-	-	1	75	<b>6</b>	<b>900</b>
Freddie Mac Home Possible	2	308	7	1,215	2	324	<b>11</b>	<b>1,847</b>
LMI down payment Assistance	-	-	-	-	9	53	<b>9</b>	<b>53</b>
SBA	5	751	8	2,708	8	2,407	<b>21</b>	<b>5,866</b>
FHLB Welcome Home	4	500	5	804	-	-	<b>9</b>	<b>1,304</b>
Credit Builder Loans	30	22	30	18	21	13	<b>81</b>	<b>53</b>
Secured Credit Cards	19	11	14	7	14	7	<b>47</b>	<b>25</b>
LMI HEAL	20	112	6	29	5	69	<b>31</b>	<b>210</b>
LMI HELOC	2	50	1	21	-	-	<b>3</b>	<b>71</b>
PPP	346	37,188	183	15,350	-	-	<b>529</b>	<b>52,538</b>
<b>Total</b>	<b>497</b>	<b>51,816</b>	<b>280</b>	<b>25,301</b>	<b>83</b>	<b>5,563</b>	<b>860</b>	<b>82,680</b>
<i>Source: Bank Data 1/7/2020 – 12/31/2022</i>								

### **Community Development Loans**

RBTC made an adequate level of community development loans in the Kentucky AA. The bank originated or renewed 13 community development loans, totaling \$13.7 million in this AA during the evaluation period. This level of activity (by dollar) accounts for 3.8 percent of total community development loans.

<b>Community Development Lending - Kentucky AA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2020*	2	7,249	3	200	-	-	-	-	<b>5</b>	<b>7,449</b>
2021	1	1,120	2	150	1	1,900	1	1,700	<b>5</b>	<b>4,870</b>
2022	-	-	2	200	1	1,160	-	-	<b>3</b>	<b>1,360</b>
<b>Total</b>	<b>3</b>	<b>8,369</b>	<b>7</b>	<b>550</b>	<b>2</b>	<b>3,060</b>	<b>1</b>	<b>1,700</b>	<b>13</b>	<b>13,679</b>
<i>Source: Bank Data * 1/7/2020 - 12/31/2020</i>										

Below are notable examples of community development loans in the Kentucky AA:

- The bank originated a \$1.9 million loan to finance a large pharmacy-store chain that created jobs and specializes in filling prescriptions, health and wellness products, and more in a low-income census tract. (Economic Development)

- The bank originated a \$981 thousand loan to finance 26 affordable housing units in the AA. (Affordable Housing)

## INVESTMENT TEST

The Investment Test is rated Outstanding for this AA. This performance reflects excellent performance in meeting the investment and community development needs in the area.

### Investment and Grant Activity

The institution has an excellent level of qualified community development, investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

RBTC originated or retained 71 community development investments (including qualified grants and donations) totaling approximately \$14 million during the evaluation period. This level of activity (by dollar) in the Kentucky AA accounts for 18.2 percent of total qualified investments. This level of activity also represents a significant increase of 163.2 percent in a dollar volume since the previous evaluation.

The following table illustrates qualified investment activity by year and purpose.

Qualified Investments - Kentucky AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	4	2,808	-	-	-	-	-	-	4	2,808
2020*	-	-	-	-	-	-	-	-	0	-
2021	2	8,000	-	-	-	-	-	-	2	8,000
2022	1	3,000	-	-	-	-	-	-	1	3,000
<b>Subtotal</b>	<b>7</b>	<b>13,808</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>13,808</b>
Qualified Grants & Donations	29	48	30	73	5	24	-	-	64	145
<b>Total</b>	<b>36</b>	<b>13,856</b>	<b>30</b>	<b>73</b>	<b>5</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>13,953</b>
Source: Bank Data * 1/7/2020 – 12/31/2020										

Below are notable examples of community development investments in the Kentucky AA:

- Throughout the evaluation period, the institution made multiple investments, totaling \$8.0 million in LIHTC funds to support financing of a 26-unit affordable housing community complex in a moderate-income census tract and a 48-unit affordable housing complex in a middle-income census tract. (Affordable Housing)
- The institution made a \$15,000 donation to a local Community Development Financial Institution (CDFI) that assists in home ownership and small business development in the area. (Community Service)

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits excellent responsiveness to credit and community development needs. A substantial majority of qualified investments support affordable housing initiatives, which demonstrates the bank's responsiveness to the community development needs identified by community contacts.

### **Community Development Initiatives**

The institution makes extensive use of innovative and/or complex investments to support community development initiatives. By dollar, approximately 98.9 of the community development initiatives in the Kentucky AA consist of LIHTC investments.

### **SERVICE TEST**

The Service Test is rated High Satisfactory for this AA. This performance reflects good performance in meeting the service and community development needs in the area.

### **Accessibility of Delivery Systems**

Delivery systems are reasonably accessible to all portions of the AA. As illustrated in the following table, of the six branches in the AA, the bank operates one branch in a moderate-income census tract. The bank operates three ATM/ITMs in the moderate-income census tracts, which are located at all branch locations and feature video access to live tellers and extended hours. The following table illustrates the overall distribution of branches, ATMs, and ITMs throughout the AA.

<b>Branch and ATM Distribution by Geography Income Level - Kentucky AA</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs/ITMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	10	10.4	35,895	10	0	0.0	0	0.0
Moderate	19	19.8	74,023	20.6	1	16.7	3	27.3
Middle	37	38.5	135,040	37.7	4	66.7	4	36.4
Upper	30	31.3	113,526	31.7	1	16.7	4	36.4
<b>Totals</b>	<b>96</b>	<b>100.0</b>	<b>358,484</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>
<i>Source: 2015 ACS &amp; Bank Data. Due to rounding, totals may not equal 100.0%</i>								

### **Changes in Branch Locations**

RBTC did not open or close any branches in the AA during the evaluation period. Therefore, this criterion did not affect the accessibility of its delivery systems, particularly in LMI census tracts or to LMI borrowers.

### **Reasonableness of Business Hours and Services**

Services, including business hours, do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and individuals. Of the six branches in the AA, three operate on Saturdays to ensure customers are adequately served. Although the branch in the moderate-income census tract does not have Saturday hours, customers are adequately served by extended Friday



hours and alternative delivery channels, including ATMs, ITMs, mobile banking, and online banking.

RBTC was a founding member of the Bank On Bluegrass program, which provides access to low-cost mainstream deposit products to individuals who may not otherwise have access to such accounts. During the review period, RBTC opened 320 deposit accounts in conjunction with the Bank On Bluegrass program, totaling \$249.3 thousand in deposits.

### **Community Development Services**

RBTC provides a relatively high level of community development services in the Kentucky AA. During the evaluation period, bank officials provided 184 instances, totaling 401 hours of financial expertise or technical assistance to community development-related organization in the AA. Services in the Kentucky AA account for 9.6 percent by number and 11.4 percent by hour of the banks total qualified activities. This level of activity is similar to the previous evaluation.

Of the 184 instances, 112 (60.9 percent) instances encompassed employees serving, participating in, and attending a variety of Board, advisory and finance-related committee meetings.

<b>Community Development Services - Kentucky AA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>
2020*	22	51	25	42	0	0	0	0	47	93
2021	14	20	12	27	3	5	0	0	29	52
2022	17	31	84	215	5	6	2	4	108	256
<b>Total</b>	<b>53</b>	<b>102</b>	<b>121</b>	<b>284</b>	<b>8</b>	<b>11</b>	<b>2</b>	<b>4</b>	<b>184</b>	<b>401</b>
<i>Source: Bank Data * 1/7/2020 – 12/31/2022</i>										

Below are notable examples of the bank's qualified services in the Kentucky AA:

- Twelve employees facilitated 41 instances, accounting for approximately 149 hours, of financial literacy to underserved children in LMI communities through a local chapter of a nationwide volunteer organization. (Community Service)
- A member of management serves on the Board of Directors for a local community development organization that provides affordable housing and financial literacy to LMI individuals across LMI communities in the AA. (Affordable Housing)
- A member of management serves on the Board of Directors of a HUD-certified counseling agency that provides financial education and affordable housing assistance. (Affordable Housing)

## **STATE OF FLORIDA (Full-Scope Review)**

**CRA RATING FOR STATE OF FLORIDA: OUTSTANDING**

**The Lending Test is rated: Outstanding**

**The Investment Test is rated: Outstanding**

**The Service Test is rated: High Satisfactory**

### **DESCRIPTION OF OPERATIONS IN THE STATE OF FLORIDA**

The Florida AA consists of all portions of Hillsboro, Pasco, and Pinellas Counties in Florida, all of which are located within the Tampa-St. Petersburg-Clearwater, FL MSA. RBTC operates seven branches within this AA. One branch is in an upper-income census tract, five branches are in middle-income census tracts, and one branch is in a moderate-income census tract. RBTC did not open or close any branches in this AA since the previous examination. The AA accounts for 9.8 percent of all home mortgage loans, 18.4 percent of small business loans, 12.3 percent of deposits, and 16.7 percent of branches.

#### **Economic and Demographic Data**

Based on 2015 ACS data, the Florida AA is comprised of 701 census tracts with the following designations: 41 low-, 174 moderate-, 248 middle-, and 222 upper- income tracts. The AA also includes 16 census tracts that do not have an income designation due to nominal populations. The following table illustrates relevant demographic characteristics of the AA considered within the evaluation.

Demographic Information of the Assessment Area Assessment Area: Florida						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	701	5.8	24.8	35.4	31.7	2.3
Population by Geography	2,713,649	4.8	23.1	36.9	34.8	0.4
Housing Units by Geography	1,284,294	4.6	24.1	38.2	32.9	0.2
Owner-Occupied Units by Geography	682,598	2.1	20.2	38.2	39.4	0.1
Occupied Rental Units by Geography	392,451	8.8	28.4	38.2	24.1	0.4
Vacant Units by Geography	209,245	5.1	28.7	38.0	28.1	0.1
Businesses by Geography	514,490	4.3	19.7	33.1	42.6	0.3
Farms by Geography	11,620	3.4	22.9	37.6	36.0	0.1
Family Distribution by Income Level	654,604	21.3	17.6	18.8	42.3	0.0
Household Distribution by Income Level	1,075,049	23.8	16.1	17.3	42.8	0.0
Median Family Income MSA - 45300 Tampa-St. Petersburg-Clearwater, FL MSA	\$58,916		Median Housing Value			\$158,005
			Median Gross Rent			\$983
			Families Below Poverty Level			11.2%
Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.						

According to the 2015 ACS data above, the AA contains 1,284,294 housing units, with 53.1 owner-occupied, 30.6 occupied rental, and 16.3 vacant units, indicating the opportunity level for home mortgage lending. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

According to 2021 D&B data, there are 514,490 businesses operating in the AA. This is a substantial increase of approximately 229,045 additional businesses since the previous evaluation with 2018 D&B data, demonstrating increased lending opportunities. The services industry represents the largest portion of AA businesses at 36.7 percent; followed by finance, insurance, and real estate at 9.3 percent and retail trade at 9.1 percent. In addition, 61.2 percent of total businesses have four or fewer employees, and 95.5 percent operate from a single location, indicating the opportunity to lend to small businesses.

Also according to 2021 D&B data, GARs for these businesses include 93.0 percent with \$1 million or less, 2.2 percent with more than \$1 million, and 4.8 percent with unknown revenues. The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR level.

Examiners use the 2020 and 2021 FFIEC-updated MFI to analyze home mortgage loans under the Borrower Profile criterion. The table below illustrates the income categories for the Florida AA.

<b>MFI Ranges Tampa-St. Petersburg-Clearwater, FL MSA Median Family Income (45300)</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2020 (\$69,200)	<\$34,600	\$34,600 to <\$55,360	\$55,360 to <\$83,040	≥\$83,040
2021 (\$72,700)	<\$36,350	\$36,350 to <\$58,160	\$58,160 to <\$87,240	≥\$87,240
<i>Source: FFIEC</i>				

Examiners considered unemployment data when evaluating the bank's ability to lend within the AA. According to 2021 and 2022 U.S. Bureau of Labor Statistics data, the AA experienced increased unemployment levels, averaging 6.0 percent, likely due to the COVID-19 Pandemic. This could indicate potential difficulties and weaknesses in the labor force and lending opportunities. The AA levels were comparable to the Florida State average of 6.4 percent.

### **Competition**

RBTC operates in a highly-competitive environment with many competing institutions. According to the June 30, 2022, FDIC Deposit Market Share data, 52 financial institutions operate 585 branches within the AA. Of these institutions, RBTC operates seven branches with 0.5 percent of the deposit market share.

Aggregate HMDA data indicates a high level of competition for home mortgage lending within the AA. In 2020, 1,081 lenders originated or purchased 163,093 home mortgage loans, with the top three lenders originating 15.6 percent of these loans. RBTC ranked 100<sup>th</sup> among these lenders, with 0.2 percent of the market share. In 2021, 1,148 lenders originated or purchased 177,031 home mortgage loans, with the top three lenders originating 17.0 percent of these loans. RBTC ranked 95<sup>th</sup> among these lenders, with 0.2 percent of the market share.

Aggregate small business lending data for 2020 also identifies a high level of competition for small business lending within the AA. In 2020, 288 lenders originated or purchased 94,782 small business loans, with the top three lenders originating 37.3 percent of these loans. RBTC ranked 18<sup>th</sup> among these lenders, with 1.0 percent of the market share.

### **Community Contact**

Examiners reviewed a recent contact with a large local economic development non-profit organization in the AA that focuses on employment sustainability and diversity within the economy. The contact stated there is a financial need for flexible financing and financial counseling for small businesses. The contact also believes the local community banks and credit unions are assisting in these efforts through financial tools and literacy. Additionally, the contact stated many local businesses continue to face financial hardships due to labor availability, talent acquisition, supply chain disruptions, and price elasticity in the inflationary environment.

### **Credit and Community Development Needs and Opportunities**

Considering information from community contacts, bank management, demographic and economic data, examiners determined home mortgage and small business lending represent the primary credit needs of the Florida AA.

## **SCOPE OF EVALUATION – STATE OF FLORIDA (FLORIDA AA)**

The rating for the State of Florida is reflective of the full-scope assessment of the Florida AA. Refer to the overall Scope section for additional details.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN FLORIDA AA**

### **LENDING TEST**

The Lending Test is rated Outstanding for this AA. This performance reflects excellent performance in meeting the credit and community development needs in the area.

#### **Lending Activity**

Lending levels reflect excellent responsiveness to the Florida AA credit needs. Examiners reviewed the number and dollar volume of loans originated and purchased during the review period, as well as market share reports, aggregate lending data, and demographic data.

Home mortgage and small business volume increased substantially since the prior evaluation. As recorded in the prior evaluation, in 2018 and 2019, RBTC originated or renewed 395 HMDA loans totaling \$81.1 million and 426 small business loans totaling \$83.4 million. In 2020 and 2021, RBTC originated or renewed 569 HMDA loans totaling \$162.7 million and 1,520 small business loans totaling \$182.6 million, representing a 44.1 percent increase by number of HMDA loans and 256.8 percent increase by number of small business loans. Examiners noted substantial growth in small business loans since the prior evaluation.

As discussed in the above Competition section, RBTC operates seven branches within this AA. In 2021, RBTC ranked 95th among aggregate lenders with 0.2 percent of the HMDA market share. In 2020, RBTC ranked 18th among aggregate lender with 1.0 percent of the small business market share.

#### **Geographic Distribution**

Overall, the geographic distribution of loans reflects good penetration throughout the AA. This conclusion is supported by good home mortgage performance and good small business performance.

#### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects good penetration throughout the Florida AA. As illustrated in the table below, bank performance in low-income census tracts exceeded both demographic data and aggregate performance in 2020 and 2021. Notably, bank performance in moderate-income census tracts slightly exceeded demographic and significantly exceeded aggregate performance in 2020. Bank performance decreased in 2021; however, remained comparable to aggregate performance.

Geographic Distribution of Home Mortgage Loans – Florida AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	2.1	1.7	15	5.6	2,977	4.0
2021	2.1	2.0	11	3.7	2,075	2.3
Moderate						
2020	20.2	14.5	58	21.6	9,504	12.8
2021	20.2	16.0	47	15.6	15,320	17.3
Middle						
2020	38.2	35.1	77	28.7	18,114	24.4
2021	38.2	35.6	103	34.2	26,719	30.2
Upper						
2020	39.4	48.6	118	44.0	43,708	58.8
2021	39.4	46.4	140	46.5	44,275	50.1
Not Available						
2020	0.1	0.1	0	0.0	0	0.0
2021	0.1	0.1	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>268</b>	<b>100.0</b>	<b>74,303</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>301</b>	<b>100.0</b>	<b>88,389</b>	<b>100.0</b>
Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

### ***Small Business Loans***

The geographic distribution of small business loans reflects good penetration throughout the Florida AA. As illustrated in the table below, bank performance in low-income census tracts was below aggregate performance in 2020; however, performance was comparable to or exceeded demographic data in both 2020 and 2021. Bank performance in moderate-income census tracts exceeded both aggregate performance and demographic data in 2020. Bank performance decreased in 2021; however, remains comparable to demographic data.

Geographic Distribution of Small Business Loans – Florida AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	4.2	4.9	38	4.0	3,361	3.2
2021	4.3	--	28	5.0	5,175	6.6
Moderate						
2020	19.5	19.5	218	22.7	24,464	23.5
2021	19.7	--	105	18.7	16,928	21.6
Middle						
2020	33.5	33.5	355	37.0	38,988	37.5
2021	33.1	--	212	37.8	30,648	39.0
Upper						
2020	42.5	41.9	342	35.7	35,886	34.5
2021	42.6	--	211	37.6	24,327	31.0
Not Available						
2020	0.3	0.3	6	0.6	1,370	1.3
2021	0.3	--	5	0.9	1,426	1.8
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>959</b>	<b>100.0</b>	<b>104,069</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>561</b>	<b>100.0</b>	<b>78,504</b>	<b>100.0</b>
Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

### **Borrower Profile**

Overall, the distribution of borrowers reflects good penetration among borrowers of different income levels, and businesses of different sizes. This conclusion is supported by good performance in the more heavily-weighted home mortgage segment combined with adequate small business performance.

### ***Home Mortgage Loans***

The distribution of home mortgage loans to individuals of different income levels, including LMI borrowers, is good. The table below illustrates the bank's mortgage lending performance by borrower income levels within the AA.

In 2020 and 2021, the bank's performance to low-income borrowers exceeds aggregate, but is less than demographic. Notably, performance significantly improved in 2021. Performance is considered good based on demographic and economic characteristics of the AA. Of the 21.3 percent of low-income families, 11.2 percent live below the poverty level, which can create a lack of lending opportunities. Due to their limited financial resources, families with income below the poverty level generally do not have the capacity to support a home mortgage, limiting the demand and opportunity to lend to low-income borrowers.

In 2020, the bank's performance of lending to moderate-income borrowers exceeds demographic and aggregate data. In 2021, although overall lending levels increased, performance trailed demographic, is similar to aggregate data, and represents good performance.

<b>Distribution of Home Mortgage Loans by Borrower Income Level – Florida AA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	21.3	3.4	15	5.6	1,964	2.6
2021	21.3	4.4	35	11.6	5,302	6.0
Moderate						
2020	17.6	13.9	48	17.9	6,928	9.3
2021	17.6	14.6	43	14.3	7,373	8.3
Middle						
2020	18.8	19.0	42	15.7	6,650	9.0
2021	18.8	19.9	37	12.3	7,011	7.9
Upper						
2020	42.3	43.3	138	51.5	46,195	62.2
2021	42.3	43.0	153	50.8	47,451	53.7
Not Available						
2020	0.0	20.4	25	9.3	12,566	16.9
2021	0.0	18.2	33	11.0	21,252	24.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>268</b>	<b>100.0</b>	<b>74,303</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>301</b>	<b>100.0</b>	<b>88,389</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 &amp; 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The distribution of small business loans reflects adequate penetration to businesses with GARs of \$1 million or less. The following table illustrates the distribution of small business loans by revenue levels through the AA.

In 2020 and 2021, bank performance significantly trailed demographic and aggregate data; however, the disparity is largely attributable to the significant volume of loans categorized as Revenue Not Available. Specifically, PPP loans composed 82.9 percent of the small business loans in 2020 and 61.1 percent in 2021, which had a disproportionate and adverse effect on the distribution of small business loans, as the institution did not collect revenue information on PPP loans. Adjusting performance to exclude these loans indicates improved performance. More specifically, if the loans where revenue are not available are excluded from the analysis, the bank's concentration lending to businesses with revenue at or below \$1 million increases to 59.1 and 61.0 percent by number in 2020 and 2021, respectively.



Overall, the institution's performance under this factor is adequate given the unique performance context regarding PPP loans.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category – Florida AA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000						
2020	91.1	41.3	97	10.1	19,711	18.9
2021	92.9	--	133	23.7	34,389	43.8
>\$1,000,000						
2020	3.0	--	67	7.0	17,786	17.1
2021	2.2	--	85	15.2	27,078	34.5
Revenue Not Available						
2020	5.9	--	795	82.9	66,572	64.0
2021	4.9	--	343	61.1	17,037	21.7
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>959</b>	<b>100.0</b>	<b>104,069</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>561</b>	<b>100.0</b>	<b>78,504</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### **Innovative or Flexible Lending Practices**

The institution makes extensive use of innovative and/or flexible lending practices in order to serve the Florida AA credit needs. As illustrated in the table below, RBTC facilitated approximately 1,200 loans totaling \$151.4 million within the Florida AA during the evaluation period, representing 13.5 percent of the bank's total flexible lending volume. Refer to previous sections for additional details regarding the programs.

<b>Innovative or Flexible Lending Programs - Florida AA</b>								
<b>Type of Program</b>	<b>2020</b>		<b>2021</b>		<b>2022</b>		<b>Total</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
FHA	4	766	3	643	4	1,503	11	2,912
VA	5	1,324	4	1,227	2	922	11	3,473
NHP	11	1,875	2	532	6	1,303	19	3,710
Fannie Mae Home Ready	1	80	2	365	-	-	3	445
Freddie Mac Home Possible	3	626	1	235	-	-	4	861
SBA	6	2,894	16	9,444	15	6,139	37	18,477
Credit Builder Loans	-	-	11	11	2	3	13	14
Secured Credit Cards	11	7	12	12	4	2	27	21
Employee Grant	-	-	-	-	1	5	1	5
LMI HEAL	3	11	2	95	1	20	6	126
LMI HELOC	1	9	-	-	1	25	2	34
PPP	785	93,740	344	27,599	-	-	1,129	121,339
<b>Total</b>	<b>830</b>	<b>101,332</b>	<b>397</b>	<b>40,163</b>	<b>36</b>	<b>9,922</b>	<b>1,263</b>	<b>151,417</b>
<i>Source: Bank Data 1/7/2020 – 12/31/2022</i>								

### **Community Development Loans**

RBTC is a leader in providing community development loans in the Florida AA. The bank originated or renewed 24 community development loans, totaling \$40.8 million in this AA during the evaluation period. This level of activity (by dollar) accounts for 11.5 percent of total community development loans. This level of activity is relatively consistent with its deposit presence in the AA and represents an increase of 88.9 percent in dollar volume from the prior evaluation.

The following table illustrates these lending activities by year and purpose within the AA.

<b>Community Development Lending - Florida AA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2020*	3	1,078	-	-	-	-	4	4,596	7	5,674
2021	4	2,184	-	-	2	2,995	4	17,393	10	22,572
2022	2	400	1	5,000	1	1,245	3	5,919	7	12,564
<b>Total</b>	<b>9</b>	<b>3,662</b>	<b>1</b>	<b>5,000</b>	<b>3</b>	<b>4,240</b>	<b>11</b>	<b>27,908</b>	<b>24</b>	<b>40,810</b>
<i>Source: Bank Data * 1/7/2020 – 12/31/2020</i>										

The following are notable examples of community development loans in the Florida AA:

- The bank originated a \$2.8 million loan to finance the construction of a six-unit retail neighborhood center in a low-income census tract. The retail center will revitalize the area through job opportunities for low-income residents. (Revitalize or Stabilize)

- The bank originated a \$1.3 million loan to finance the purchase of land and infrastructure for 25 individual affordable homes in the AA. (Affordable Housing)
- The bank originated two SBA 504 loans totaling nearly \$3 million to finance construction of a new brewery, which will bolster economic development and employ LMI individuals. (Economic Development)

In addition to the data above, in 2021, the bank committed \$3 million to a local CDFI to participate in a LIHTC pool for multifamily properties in the AA. The funds assisted in financing the construction of approximately 10 LIHTC developments.

## INVESTMENT TEST

The Investment Test is rated Outstanding for this AA. This performance reflects excellent performance in meeting the investment and community development needs in the area.

### Investment and Grant Activity

The institution has an excellent level of qualified community development investment and grants, often in a leadership position, particularly those not routinely provided by private investors.

RBTC originated or retained 33 community development investments (including qualified grants and donations) totaling approximately \$12.7 million during the evaluation period. This level of activity (by dollar) in the Florida AA accounts for 16.5 percent of total qualified investments and represents a 74.2 percent increase in a dollar volume since the previous evaluation.

The following table illustrates qualified investment activity by year and purpose.

Qualified Investments - Florida AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	2,818	-	-	-	-	-	-	1	2,818
2020*	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	2	9,100	-	-	-	-	-	-	2	9,100
<b>Subtotal</b>	<b>3</b>	<b>11,918</b>	-	-	-	-	-	-	<b>3</b>	<b>11,918</b>
Qualified Grants & Donations	15	128	15	635	0	-	0	-	30	763
<b>Total</b>	<b>18</b>	<b>12,046</b>	<b>15</b>	<b>635</b>	-	-	-	-	<b>33</b>	<b>12,681</b>
Source: Bank Data *1/7/2020 – 12/31/2020										

Below are notable examples of community development investments in the Florida AA:

- The institution made a \$6 million investment in a LIHTC fund to support financing mixed-use planned development project in the area. The property is located in a low-income

census tract and is planned to redevelop 196 public housing units targeted for LMI families and individuals. (Affordable Housing)

- The institution made an additional \$1 million investment in a LIHTC fund to support financing of a 109-unit multifamily property in a middle-income census tract. (Affordable Housing)
- Throughout the evaluation period, the institution made multiple donations, totaling \$400,000 to fund local scholarships to LMI students to attend private schools in the AA. (Community Service)

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits excellent responsiveness to credit and community development needs. A substantial majority of qualified investments support affordable housing initiatives, which demonstrates the bank's responsiveness to the community development needs identified by community contacts.

### **Community Development Initiatives**

The institution makes extensive use of innovative and/or complex investments to support community development initiatives. By dollar, approximately 93.9 percent of the community development initiatives in the Florida AA consist of LIHTC investments.

## **SERVICE TEST**

The Service Test is rated High Satisfactory for this AA. This performance reflects good performance in meeting the service and community development needs in the area.

### **Accessibility of Delivery Systems**

Delivery systems are reasonably accessible to all portions of the AA. As illustrated in the following table, of the seven branches in the AA, the bank operates one branch in a moderate-income census tract. While the concentration of moderate-income branches trails the corresponding populations in that income segment, the bank operates seven ATM/ITMs in the LMI census tracts, which are located at all branch locations and feature video access to live tellers and extended hours. The following table illustrates the overall distribution of branches, ATMs, and ITMs throughout the AA.

<b>Branch and ATM Distribution by Geography Income Level - Florida AA</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs/ITMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	41	5.8	131,192	4.8	0	0.0	5	23.8
Moderate	174	24.8	626,522	23.1	1	14.3	2	9.5
Middle	248	35.4	1,000,859	36.9	5	71.4	10	47.6
Upper	222	31.7	944,596	34.8	1	14.3	4	19.0
NA	16	2.3	10,480	0.4	0	0.0	0	0.0
<b>Totals</b>	<b>701</b>	<b>100.0</b>	<b>2,713,649</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>21</b>	<b>100.0</b>
<i>Source: 2015 ACS &amp; Bank Data. Due to rounding, totals may not equal 100.0%</i>								

### **Changes in Branch Locations**

RBTC did not open or close any branches in the AA during the evaluation period. Therefore, this criterion did not affect the accessibility of its delivery systems, particularly in LMI census tracts or to LMI borrowers.

### **Reasonableness of Business Hours and Services**

Services, including business hours, do not vary in a way that inconveniences portions of the AA, particularly LMI geographies and individuals. The Florida branches do not have Saturday hours; however, customers are adequately served through alternative delivery channels, such as ATMs, ITMs, mobile banking, and online banking. Specifically, all Florida branches have ITMs, which offer extended hours, including on Saturdays.

### **Community Development Services**

RBTC is a leader in providing community development services in the Florida AA. During the evaluation period, bank officials provided 165 instances, totaling 312 hours of financial expertise or technical assistance to community development-related organizations in the AA. Services in the Florida AA account for 8.6 percent by number and 8.9 percent by hour of the banks total qualified activities. This level of activity represents a 385.2 percent increase in instances from the prior evaluation, which is a significant increase.

Of the 165 instances, 163 (98.8 percent) were recurring activities such as employees serving, participating, and attending multiple Board, Advisory and/or finance-related committee meetings.

<b>Community Development Services - Florida AA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>
2020*	44	87	54	97	-	-	-	-	98	184
2021	27	40	9	42	-	-	-	-	36	82
2022	15	22	15	23	1	1	-	-	31	46
<b>Total</b>	<b>86</b>	<b>149</b>	<b>78</b>	<b>162</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>165</b>	<b>312</b>
<i>Source: Bank Data *1/7/2020 – 12/31/2020</i>										

Below are notable examples of the bank's qualified services in the Florida AA:

- An employee serves on the Board of Directors of a certified CDFI that facilitates private investments for community revitalization and neighborhood preservation. In addition, the organization offers flexible financing for affordable housing and small businesses. (Community Services)
- An employee provided financial education to a HUD-approved counseling agency and CDFI that assists LMI individuals through the home-buying process, obtaining affordable housing, and accessing affordable financial products and services. (Affordable Housing)
- An employee serves on the Board of Directors for a HUD-certified counseling agency dedicated to serving the needs of low-income individuals through financial management and home-ownership counseling. (Affordable Housing)

**CINCINNATI-MIDDLETON, OH-KY MULTI-STATE MSA  
(Full-Scope Review)**

**CRA RATING FOR CINCINNATI-MIDDLETON, OH-KY MULTI-STATE  
MSA: OUTSTANDING**

**The Lending Test is rated: Outstanding**

**The Investment Test is rated: Outstanding**

**The Service Test is rated: High Satisfactory**

**DESCRIPTION OF OPERATIONS IN CINCINNATI-MIDDLETOWN, OH-  
KY MULTI-STATE MSA (CINCINNATI AA)**

The Cincinnati AA consists of all portions of Boone and Kenton Counties in Kentucky and Hamilton and Butler Counties in Ohio - all of which are in the Cincinnati-Middletown OH-KY Multistate MSA. RBTC operates five branches within this AA, including two in Ohio and three in Kentucky; however, none of the branches are in LMI census tracts. The bank maintains four branches in middle-income census tracts, with the remaining branch in an upper-income census tract. RBTC did not open or close any branches in this AA since the previous examination. The AA accounts for 6.2 percent of all home mortgage loans, 11.3 percent of small business loans, 5.8 percent of deposits, and 11.9 percent of branches.

**Economic and Demographic Data**

Based on 2015 ACS data, the Cincinnati AA is comprised of 365 census tracts with the following designations: 60 low-, 86 moderate-, 117 middle-, and 95 upper-income tracts. The AA also includes seven census tracts that do not have an income designation due to nominal populations. The following table illustrates relevant demographic characteristics of the AA considered within the evaluation.

Demographic Information of the Assessment Area						
Assessment Area: Cincinnati						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	365	16.4	23.6	32.1	26.0	1.9
Population by Geography	1,464,356	11.4	20.8	35.0	31.4	1.4
Housing Units by Geography	642,977	13.7	22.1	35.0	28.5	0.7
Owner-Occupied Units by Geography	360,435	5.6	17.1	38.9	38.2	0.1
Occupied Rental Units by Geography	212,857	22.6	29.4	30.3	16.4	1.4
Vacant Units by Geography	69,685	28.5	25.6	29.1	15.1	1.6
Businesses by Geography	112,175	8.9	20.7	31.7	37.3	1.4
Farms by Geography	2,726	5.5	15.2	43.7	35.4	0.3
Family Distribution by Income Level	361,289	23.9	16.6	19.3	40.2	0.0
Household Distribution by Income Level	573,292	27.2	15.6	16.7	40.5	0.0
Median Family Income MSA - 17140 Cincinnati, OH-KY-IN MSA		\$69,949	Median Housing Value			\$155,477
			Median Gross Rent			\$755
			Families Below Poverty Level			11.8%
Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.						

According to 2015 ACS data above, the AA contains 642,977 housing units, with 56.1 percent owner-occupied, 33.1 percent occupied rental, and 10.8 vacant units, indicating the opportunity level for home mortgage lending. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

According to 2021 D&B data, there are 112,175 businesses operating in the AA. The services industry represents the largest portion of AA businesses at 41.6 percent; followed by retail trade at 12.3 percent and finance, insurance, and real estate at 11.3 percent. In addition, 64.3 percent of total businesses have four or fewer employees, and 87.4 percent operate from a single location, indicating the opportunity to lend to small businesses.

Also, according to 2021 D&B data, GARs for these businesses include 82.3 percent with \$1 million or less, 5.8 percent with more than \$1 million, and 11.9 percent with unknown revenues. The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR level.

Examiners used the 2020 and 2021 FFIEC-updated MFI to analyze home mortgage loans under the Borrower Profile criterion. The table below illustrates the income categories for the Cincinnati AA.

<b>MFI Ranges Cincinnati, OH-KY-IN MSA Median Family Income (17140)</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2020 (\$80,100)	<\$40,050	\$40,050 to <\$64,080	\$64,080 to <\$96,120	≥\$96,120
2021 (\$81,900)	<\$40,950	\$40,950 to <\$65,520	\$65,520 to <\$98,280	≥\$98,280
<i>Source: FFIEC</i>				

Examiners considered unemployment data when evaluating the bank's ability to lend within the AA. According to 2021 and 2022 U.S. Bureau of Labor Statistics data, the AA experienced increased unemployment levels, averaging 5.4 percent, likely due to the COVID-19 pandemic. This could indicate potential difficulties and weaknesses in the labor force and lending opportunities. The AA levels were slightly below the Kentucky and Ohio State averages of 5.6 and 6.7 percent, respectively.

### **Competition**

RBTC operates in a highly-competitive environment with many competing institutions. According to the June 30, 2022, FDIC Deposit Market Share data, 44 financial institutions operate 428 branches within the AA. Of these institutions, RBTC operates five branches with 0.2 percent of the deposit market share.

Aggregate HMDA data indicates a high level of competition for home mortgage lending within the AA. In 2020, 565 lenders originated or purchased 81,062 home mortgage loans, with the top three lenders originating 18.7 percent of these loans. RBTC ranked 80<sup>th</sup> among these lenders, with 0.2 percent of the market share. In 2021, 592 lenders originated or purchased 86,515 home mortgage loans, with the top three lenders originating 18.6 percent of these loans. RBTC ranked 89<sup>th</sup> among these lenders, with 0.2 percent of the market share.

Aggregate small business lending data for 2020 also identifies a high level of competition for small business lending within the AA. In 2020, 181 lenders originated or purchased 32,581 small business loans, with the top three lenders originating 38.3 percent of these loans. RBTC ranked 18<sup>th</sup> among these lenders, with 1.0 percent of the market share.

### **Community Contacts**

Examiners reviewed two recent community contacts within the Cincinnati AA.

The first contact was with a community development organization in the AA. The contact stated the economy is in a stabilization period since the COVID-19 pandemic; however, the affordable housing market has significantly worsened. Specifically, the contact stated both home purchase and rental prices have increased, and a majority of affordable housing for LMI-individuals is in need of rehabilitation.

Examiners reviewed a second community contact with an affordable-housing-based non-profit organization in the AA. The second contact also discussed the affordable housing crisis for both rental and home purchases in the area, worsened by the pandemic. Additionally, the contact stated



the city remains highly segregated by income and wealth disparities. The organization has identified credit needs for home purchase and home improvement loans, as well as has recommended banks create diverse and innovative products to encourage home ownership for LMI individuals, such as down payment assistance programs.

### **Credit and Community Development Needs and Opportunities**

Considering information from community contacts, bank management, demographic and economic data, examiners determined home mortgage, specifically affordable housing, and small business lending represent the primary credit needs of the Cincinnati AA.

## **SCOPE OF EVALUATION – CINCINNATI AA**

The rating for the Cincinnati multi-state MSA is reflective of the full-scope assessment of the Cincinnati AA. Refer to the overall Scope section for additional details.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CINCINNATI AA**

The rating for the multi-state MSA is reflective of the full-scope assessment of the Cincinnati AA. Refer to the overall Scope section for additional details.

### **LENDING TEST**

The Lending Test is rated Outstanding for this AA. This performance reflects excellent performance in meeting the credit and community development needs in the area.

### **Lending Activity**

Lending levels reflect excellent responsiveness to the Cincinnati AA credit needs. Examiners reviewed the number and dollar volume of loans originated and purchased during the review period, as well as market share reports, aggregate lending data, and demographic data.

Home mortgage and small business volume increased since the prior evaluation. As recorded in the prior evaluation, in 2018 and 2019, RBTC originated or renewed 305 HMDA loans totaling \$62.7 million and 265 small business loans totaling \$58.7 million. In 2020 and 2021, RBTC originated or renewed 571 HMDA loans totaling \$102.7 million and 571 small business loans totaling \$112.7 million, representing a 16.4 percent increase by number of HMDA loans and 115.5 percent increase by number of small business loans. Examiners noted substantial growth in small business loans since the prior evaluation. The concentration of lending in this AA (at 6.2 and 11.3 percent by HMDA and small business loans, respectively) outpaced the concentration of deposits (at 5.8 percent) in the market.

As discussed in the above Competition section, RBTC operates five branches within this AA. In 2021, RBTC ranked 89<sup>th</sup> among aggregate lenders with 0.2 percent of the HMDA market share. In 2020, RBTC ranked 18<sup>th</sup> among aggregate lender with 1.0 percent of the small business market share.

### **Geographic Distribution**

Overall, the geographic distribution of loans reflects excellent penetration throughout the AA. This conclusion is supported by excellent performance in the more heavily-weighted home mortgage product segment combined with good small business performance.

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects excellent penetration throughout the Cincinnati AA. As illustrated in the table below, bank performance in low-income census tracts significantly exceeded both aggregate performance and demographic data in 2020 and 2021. Similarly, bank performance in moderate-income census tracts exceeded demographic data and aggregate performance in 2020 and 2021.

<b>Geographic Distribution of Home Mortgage Loans – Cincinnati AA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	5.6	3.7	21	11.2	5,621	10.3
2021	5.6	4.8	21	12.6	6,014	12.5
Moderate						
2020	17.1	13.1	37	19.7	10,421	19.1
2021	17.1	15.3	31	18.6	7,683	15.9
Middle						
2020	38.9	38.3	66	35.1	15,698	28.8
2021	38.9	38.4	46	27.5	12,558	26.0
Upper						
2020	38.2	44.8	64	34.0	22,718	41.7
2021	38.2	41.3	68	40.7	21,898	45.4
Not Available						
2020	0.1	0.2	0	0.0	0	0.0
2021	0.1	0.2	1	0.6	76	0.2
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>188</b>	<b>100.0</b>	<b>54,458</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>167</b>	<b>100.0</b>	<b>48,228</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 &amp; 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The geographic distribution of small business loans reflects good penetration throughout the Cincinnati AA. As illustrated in the table below, bank performance in low-income census tracts exceeded demographic data and aggregate performance in 2020. Further, bank performance slightly improved in 2021, continuing to exceed demographic data. Similarly, bank performance in moderate-income census tracts exceeded demographic data and aggregate performance in 2020. Total lending levels decreased in 2021; however, performance remained relatively comparable to demographic data.

Geographic Distribution of Small Business Loans – Cincinnati AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	8.9	9.1	31	9.7	7,102	11.6
2021	8.9	--	27	10.7	5,564	10.8
Moderate						
2020	20.7	20.1	81	25.5	15,999	26.0
2021	20.7	--	45	17.8	9,942	19.4
Middle						
2020	31.5	30.7	117	36.8	24,327	39.6
2021	31.7	--	98	38.7	18,390	35.8
Upper						
2020	37.6	39.0	88	27.7	13,653	22.2
2021	37.3	--	79	31.2	16,961	33.0
Not Available						
2020	1.3	1.1	1	0.3	335	0.5
2021	1.4	--	4	1.6	471	0.9
Totals						
2020	100.0	100.0	318	100.0	61,416	100.0
2021	100.0	--	253	100.0	51,328	100.0
Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

### **Borrower Profile**

Overall, the distribution of borrowers reflects good penetration among borrowers of different income levels, and businesses of different sizes. This conclusion is supported by good results in the more heavily-weighted home mortgage segment combined with adequate small business performance.

### ***Home Mortgage Loans***

The distribution of home mortgage loans to individuals of different income levels, including LMI borrowers, is good. The table below illustrates the bank's mortgage lending performance by borrower income levels within the AA.

In 2020 and 2021, the bank's performance to low-income borrowers significantly exceeds aggregate, but is less than demographic. However, the performance is considered good based on demographic and economic characteristics of the AA. Of the 23.9 percent of low-income families, 11.8 percent live below the poverty level, which can create a lack of lending opportunities. Due to their limited financial resources, families with income below the poverty level generally do not have the capacity to support a home mortgage, limiting the demand and opportunity to lend to low-income borrowers.

In 2020, the bank's performance of lending to moderate-income borrowers exceeds demographic and aggregate data. In 2021, performance to moderate-income borrowers exceeded demographic and is similar to aggregate data, representing good performance.

<b>Distribution of Home Mortgage Loans by Borrower Income Level – Cincinnati AA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	23.9	7.5	26	13.8	2,299	4.2
2021	23.9	8.4	30	18.0	3,054	6.3
Moderate						
2020	16.6	17.6	36	19.1	4,000	7.3
2021	16.6	19.8	30	18.0	4,273	8.9
Middle						
2020	19.3	19.9	27	14.4	4,638	8.5
2021	19.3	20.7	17	10.2	3,031	6.3
Upper						
2020	40.2	39.0	72	38.3	21,325	39.2
2021	40.2	35.2	63	37.7	18,915	39.2
Not Available						
2020	0.0	16.0	27	14.4	22,196	40.8
2021	0.0	15.8	27	16.2	18,956	39.3
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>188</b>	<b>100.0</b>	<b>54,458</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>167</b>	<b>100.0</b>	<b>48,228</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 &amp; 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The distribution of small business loans reflects adequate penetration to businesses with GARs of \$1 million or less. The following table illustrates the distribution of small business loans by revenue levels through the AA.

In 2020 and 2021, bank performance significantly trailed demographic and aggregate data; however, the disparity is largely attributable to the significant volume of loans categorized as Revenue Not Available. Specifically, PPP loans composed 64.5 percent of the small business loans in 2020 and 38.7 percent in 2021, which had a disproportionate and adverse effect on the distribution of small business loans, as the institution did not collect revenue information on PPP loans. Adjusting performance to exclude these loans indicates improved performance. More specifically, if the loans where revenue are not available are excluded from the analysis, the bank's concentration lending to businesses with revenue at or below \$1 million increases to 39.8 and 42.5 percent by number in 2020 and 2021, respectively.

Overall, the institution's performance under this factor is adequate given the unique performance context regarding PPP loans.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category – Cincinnati AA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000						
2020	81.9	44.0	45	14.2	12,755	20.8
2021	82.3	--	66	26.1	17,918	34.9
>\$1,000,000						
2020	6.3	--	68	21.4	19,819	32.3
2021	5.8	--	89	35.2	27,410	53.4
Revenue Not Available						
2020	11.8	--	205	64.5	28,842	47.0
2021	11.9	--	98	38.7	6,000	11.7
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>318</b>	<b>100.0</b>	<b>61,416</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>253</b>	<b>100.0</b>	<b>51,328</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### **Innovative or Flexible Lending Practices**

The institution makes extensive use of innovative and/or flexible lending practices in order to serve the Cincinnati AA credit needs. As illustrated in the table below, RBTC facilitated 455 loans totaling approximately \$77.6 million within the Cincinnati AA during the evaluation period. By dollar volume, this represents 6.9 percent of the flexible lending products originated by the bank, which slightly outpaces the concentration of deposits in the market. Refer to previous sections for additional details regarding the programs.

<b>Innovative or Flexible Lending Programs - Cincinnati AA</b>								
<b>Type of Program</b>	<b>2020</b>		<b>2021</b>		<b>2022</b>		<b>Total</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
FHA	2	318	1	347	3	618	6	1,283
VA	1	200	1	136	-	-	2	336
KHC - FHA	-	-	1	83	1	74	2	157
NHP	12	1,883	12	1,466	13	1,902	37	5,251
Fannie Mae Home Ready	-	-	3	626	1	120	4	746
Freddie Mac Home Possible	-	-	7	1,024	3	325	10	1,349
LMI down payment Assistance	-	-	-	-	5	27	5	27
SBA	4	1,390	11	12,656	6	1,900	21	15,946
FHLB Welcome Home	-	-	1	171	-	-	1	171
Credit Builder Loans	12	9	16	15	15	10	43	34
Secured Credit Cards	2	9	3	1	1	1	6	11
LMI HEAL	3	15	1	4	1	5	5	24
LMI HELOC	1	33	-	-	1	7	2	40
PPP	200	36,859	111	15,378	-	-	311	52,237
<b>Total</b>	<b>237</b>	<b>40,716</b>	<b>168</b>	<b>31,907</b>	<b>50</b>	<b>4,989</b>	<b>455</b>	<b>77,612</b>
<i>Source: Bank Data 1/7/2020 – 12/31/2022</i>								

### **Community Development Loans**

RBTC is leader in providing community development loans in the Cincinnati AA. The bank originated 42 community development loans, totaling \$66.2 million in this AA during the evaluation period. This level of activity (by dollar) accounts for 18.6 percent of total community development loans. This level of activity also represents a significant increase of 346.8 percent in dollar volume from the prior evaluation.

The following table illustrates these lending activities by year and purpose within the AA.

<b>Community Development Lending - Cincinnati AA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2020*	7	5,894	3	3,000	1	500	3	5,310	14	14,704
2021	4	1,416	2	2,060	6	20,831	1	2,560	13	26,867
2022	7	8,281	1	200	7	16,157	-	-	15	24,638
<b>Total</b>	<b>18</b>	<b>15,591</b>	<b>6</b>	<b>5,260</b>	<b>14</b>	<b>37,488</b>	<b>4</b>	<b>7,870</b>	<b>42</b>	<b>66,209</b>
<i>Source: Bank Data * 1/7/2020 - 12/31/2020</i>										

The following are notable examples of community development loans in the Cincinnati AA:

- The institution originated a \$2.5 million loan to finance a local behavioral health facility that provides treatment services for youth in need of residential care due to abuse and neglect in the AA. (Community Services)
- The bank originated a \$4.0 million loan to finance a 58-unit affordable housing complex in a middle-income census tract. All 58 units support affordable housing efforts with rents below HUD-certified fair market rents. (Affordable Housing)
- The bank originated a \$3.2 million SBA 504 loan to finance the construction of a local car dealership, promoting economic development efforts by creating and retaining jobs in the AA. (Economic Development)

## INVESTMENT TEST

The Investment Test is rated Outstanding for this AA. This performance reflects excellent performance in meeting the investment and community development needs in the area.

### Investment and Grant Activity

The institution has an excellent level of qualified investment and grants, often in a leadership position, particularly those not routinely provided by private investors.

RBTC originated or retained 44 community development investments totaling \$7.1 million during the evaluation period. This level of activity (by dollar) in the Cincinnati AA accounts for 9.3 percent of total qualified investments. This level of activity also represents a 133.2 percent increase in a dollar volume since the previous evaluation, which is significant.

The following table illustrates qualified investment activity by year and purpose.

Qualified Investments - Cincinnati AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	1,459	-	-	1	500	-	-	2	1,959
2020*	1	2,000	-	-	-	-	-	-	1	2,000
2021	0	-	-	-	-	-	-	-	0	-
2022	1	3,000	-	-	-	-	-	-	1	3,000
<b>Subtotal</b>	<b>3</b>	<b>6,459</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>6,959</b>
Qualified Grants & Donations	15	54	25	118	0	-	-	-	40	172
<b>Total</b>	<b>18</b>	<b>6,513</b>	<b>25</b>	<b>118</b>	<b>1</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>7,131</b>
Source: Bank Data * 1/7/2020 – 12/31/2020										

The following are notable examples of community development investments in the Cincinnati AA:

- The institution made \$5 million in investments two LIHTC funds to support affordable housing efforts in the AA. (Affordable Housing)

- Throughout the evaluation period, the institution made multiple donations totaling \$50,000 to a local medical foundation that provides financial assistance to LMI patients. (Community Service)

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits excellent responsiveness to credit and community development needs. A substantial majority of qualified investments support affordable housing initiatives, which demonstrates the bank's responsiveness to the community development needs identified by community contacts.

### **Community Development Initiatives**

The institution makes extensive use of innovative and/or complex investments to support community development initiatives. By dollar, approximately 90.5 percent of the community development initiatives in the Cincinnati AA consist of LIHTC investments.

## **SERVICE TEST**

The Service Test is rated High Satisfactory for this AA. This performance reflects good performance in meeting the service and community development needs in the area.

### **Accessibility of Delivery Systems**

Delivery systems are reasonably accessible to all portions of the AA. The following table illustrates the overall distribution of branches, ATMs, and ITMs throughout the AA. While the data shows no branches in LMI tracts during the demographic years used for this evaluation period, it is significant to note that several offices are in close proximity to the LMI geographies and recent US Census changes to tract income designations show that several tracts have been prospectively re-designated as moderate-income tracts.

<b>Branch and ATM Distribution by Geography Income Level - Cincinnati AA</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs/ITMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	60	16.4	166,781	11.4	0	0.0	0	0.0
Moderate	86	23.6	304,870	20.8	0	0.0	2	25.0
Middle	117	32.1	512,198	35	4	80.0	4	50.0
Upper	95	26	459,630	31.4	1	20.0	2	25.0
NA	7	1.9	20,877	1.4	0	0.0	0	0.0
<b>Totals</b>	<b>365</b>	<b>100</b>	<b>1,464,356</b>	<b>100</b>	<b>5</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>
<i>Source: 2015 ACS &amp; Bank Data. Due to rounding, totals may not equal 100.0%</i>								

### **Changes in Branch Locations**

RBTC did not open or close any branches in the AA during the evaluation period. Therefore, this criterion did not affect the accessibility of its delivery systems, particularly in LMI census tracts or to LMI borrowers.



### **Reasonableness of Business Hours and Services**

Services, including business hours, do not vary in a way that inconveniences portions of the AA, particularly LMI geographies and individuals. The Cincinnati AA branches do not have Saturday hours; however, customers are adequately served through alternative delivery channels, such as ATMs, ITMs, mobile banking, online banking, and extended Friday hours. Specifically, four of the five locations have ITMs, which offer extended hours, including on Saturdays.

### **Community Development Services**

RBTC is a leader in providing community development services in the Cincinnati AA. During the evaluation period, bank officials provided 404 instances, totaling 873 hours of financial expertise or technical assistance to community development-related organizations in the AA. Services in the Cincinnati AA account for 21.1 percent by number and 24.9 percent by hour of the bank's total qualified activities, which is significant given the bank's limited presence in the Cincinnati AA. This level of activity represents a 44.3 percent increase in instances since the prior evaluation.

Of the 404 instances, 357 (88.4 percent) were recurring activities such as employees serving, participating in, and attending multiple Board, Advisory and/or finance-related committee meetings.

The following table illustrates community development service activities by year and purpose.

<b>Community Development Services - Cincinnati AA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>
2020*	8	15	79	191	36	66	7	15	130	287
2021	12	23	59	160	47	92	3	6	121	281
2022	24	43	73	154	42	81	14	27	153	305
<b>Total</b>	<b>44</b>	<b>81</b>	<b>211</b>	<b>505</b>	<b>125</b>	<b>239</b>	<b>24</b>	<b>48</b>	<b>404</b>	<b>873</b>
<i>Source: Bank Data * 1/7/2020 – 12/31/2020</i>										

The following are notable examples of the bank's qualified services in the Cincinnati AA:

- A senior banking official led a homebuyers club for a local HUD-certified counseling agency, totaling 133 hours during the review period. The club had a total of 252 LMI participants throughout the 31 classes. (Community Services)
- A senior banking official serves on the Board of Directors for a local non-profit organization that provides affordable housing to low-income home buyers in the AA. (Affordable Housing)
- A senior banking official serves on the Board of Directors for a community development organization that helps build businesses and promote job creation throughout the AA, including assistance in business expansions through SBA 504 loan programs. (Economic Development)

## **STATE OF TENNESSEE (Full-Scope Review)**

**CRA RATING FOR STATE OF TENNESSEE: SATISFACTORY**

**The Lending Test is rated: High Satisfactory**

**The Investment Test is rated: High Satisfactory**

**The Service Test is rated: Low Satisfactory**

### **DESCRIPTION OF OPERATIONS IN STATE OF TENNESSEE**

The Tennessee AA consists of all portions of Davidson and Williamson Counties in Tennessee within the Nashville-Davidson-Murfreesboro-Franklin, TN MSA. RBTC operates two branches within this AA, both of which are in upper-income census tracts. RBTC did not open or close any branches in this AA since the previous examination. The AA accounts for 7.8 percent of all home mortgage loans, 3.8 percent of small business loans, 1.5 percent of deposits, and 4.8 percent of branches.

#### **Economic and Demographic Data**

Based on 2015 ACS data, the Tennessee AA is comprised of 198 census tracts with the following designations: 28 low-, 44 moderate-, 55 middle-, and 68 upper-income tracts. The AA also includes three census tracts that do not have an income designation due to nominal populations. The following table illustrates relevant demographic characteristics of the AA considered within the evaluation.

Demographic Information of the Assessment Area						
Assessment Area: Tennessee						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	198	14.1	22.2	27.8	34.3	1.5
Population by Geography	857,962	10.8	21.5	29.1	38.5	0.2
Housing Units by Geography	362,948	11.1	21.8	29.9	37.3	0.0
Owner-Occupied Units by Geography	199,341	5.5	15.1	31.2	48.3	0.0
Occupied Rental Units by Geography	134,348	17.9	30.9	28.4	22.8	0.0
Vacant Units by Geography	29,259	17.7	25.6	27.5	29.1	0.0
Businesses by Geography	122,010	9.1	16.4	21.1	52.3	1.1
Farms by Geography	2,089	5.6	13.6	25.8	54.4	0.7
Family Distribution by Income Level	202,028	21.4	15.4	18.0	45.1	0.0
Household Distribution by Income Level	333,689	23.3	16.3	17.0	43.4	0.0
Median Family Income MSA - 34980 Nashville-Davidson--Murfreesboro-- Franklin, TN MSA		\$66,441	Median Housing Value			\$231,829
			Median Gross Rent			\$919
			Families Below Poverty Level			11.2%
Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.						

According to 2015 ACS data above, the AA contains 362,948 housing units, with 54.9 percent owner-occupied, 37.0 percent occupied rental, and 8.1 vacant units, indicating the constrained opportunity level for home mortgage lending. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

According to 2021 D&B data, there are 122,010 businesses operating in the AA. The services industry represents the largest portion of AA businesses at 39.2 percent; followed by finance, insurance, and real estate at 10.0 percent and retail trade at 10.0 percent. In addition, 58.0 percent of businesses have four or fewer employees, and 91.5 percent operate from a single location, indicating the opportunity to lend to small businesses.

Also according to 2021 D&B data, GARs for these businesses include 88.2 percent with \$1 million or less, 3.9 percent with more than \$1 million, and 7.9 percent with unknown revenues. The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR level.

Examiners used the 2020 and 2021 FFIEC-updated MFI to analyze home mortgage loans under the Borrower Profile criterion. The following table illustrates the income categories for the Tennessee AA.

<b>MFI Ranges Nashville-Davidson--Murfreesboro--Franklin, TN MSA Median Family Income (34980)</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2020 (\$76,500)	<\$38,250	\$38,250 to <\$61,200	\$61,200 to <\$91,800	≥\$91,800
2021 (\$79,200)	<\$39,600	\$39,600 to <\$63,360	\$63,360 to <\$95,040	≥\$95,040
<i>Source: FFIEC</i>				

Examiners considered unemployment data when evaluating the bank's ability to lend within the AA. According to 2021 and 2022 U.S. Bureau of Labor Statistics data, the AA experienced increased unemployment levels, averaging 4.9 percent, likely due to the COVID-19 Pandemic. This could indicate potential difficulties and weaknesses in the labor force and lending opportunities. The AA levels were slightly lower than that Tennessee state average of 5.9 percent.

### **Competition**

RBTC operates in a moderately-competitive environment with many competing institutions. According to the June 30, 2022, FDIC Deposit Market Share data, 44 financial institutions operate 304 branches within the AA. Of these institutions, RBTC operates two branches with 0.1 percent of the deposit market share.

Aggregate HMDA data identifies a moderate level of competition for home mortgage lending within the AA. In 2020, 782 lenders originated or purchased 71,715 home mortgage loans, with the top three lenders originating 13.8 percent of these loans. RBTC ranked 65<sup>th</sup> among these lenders, with 0.3 percent of the market share. In 2021, 812 lenders originated or purchased 71,414 home mortgage loans, with the top three lenders originating 12.6 percent of these loans. RBTC ranked 63<sup>rd</sup> among these lenders, with 0.3 percent of the market share.

Aggregate small business lending data for 2020 also identifies a moderate level of competition for small business lending within the AA. In 2020, 230 lenders originated or purchased 33,887 small business loans, with the top three lenders originating 36.2 percent of these loans. RBTC ranked 30<sup>th</sup> among these lenders, with 0.5 percent of the market share.

### **Community Contact**

Examiners reviewed a recent contact from a local CDFI that finances affordable housing and neighborhood revitalization projects throughout the AA. The contact stated that many local banks are heavily involved in community development efforts throughout the area, specifically through partnerships and investments with the CDFI and other community development organizations, such as Habitat for Humanity.

### **Credit and Community Development Needs and Opportunities**

Considering information from community contacts, bank management, demographic and economic data, examiners determined home mortgage, specifically affordable housing, and small business lending represent the primary credit needs of the Tennessee AA.

## **SCOPE OF EVALUATION – STATE OF TENNESSEE (TENNESSEE AA)**

The rating for the State of Tennessee is reflective of the full-scope assessment of the Tennessee AA. Refer to the overall Scope section for additional details.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN TENNESSEE AA**

### **LENDING TEST**

The Lending Test is rated High Satisfactory for this AA. This performance reflects good performance in meeting the credit and community development needs in the area.

#### **Lending Activity**

Lending levels reflects excellent responsiveness to the Tennessee AA credit needs. Examiners reviewed the number and dollar volume of loans originated and purchased during the review period, as well as market share reports, aggregate lending data, and demographic data.

Home mortgage and small business volume increased substantially since the prior evaluation. As recorded in the prior evaluation, in 2018 and 2019, RBTC originated or renewed 246 HMDA loans totaling \$55.4 million and 112 small business loans totaling \$21.4 million. In 2020 and 2021, RBTC originated or renewed 419 HMDA loans totaling \$129.4 million and 270 small business loans totaling \$37.9 million, representing a 70.3 percent increase by number of HMDA loans and 141.1 percent increase by number of small business loans. Examiners noted substantial growth in both products since the prior evaluation. The concentration of lending in this AA (7.8 and 3.8 percent by HMDA and small business loans, respectively) significantly outpaced the concentration of deposits (at 1.5 percent) in the market.

As discussed in the above Competition section, RBTC operates two branches within this AA. In 2021, RBTC ranked 63<sup>rd</sup> among aggregate lenders with 0.3 percent of the HMDA market share. In 2020, RBTC ranked 30<sup>th</sup> among aggregate lenders with 0.5 percent of the small business market share.

#### **Geographic Distribution**

Overall, the geographic distribution of loans reflects adequate penetration throughout the AA. This conclusion is supported by adequate home mortgage performance and adequate small business performance.

#### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects adequate penetration throughout the Tennessee AA. As illustrated in the table below, bank performance in low-income census tracts exceeded both demographic data and aggregate performance in 2020 and 2021. Bank performance in moderate-income census tracts was less than demographic data and aggregate performance in 2020 and 2021; however, in 2021 bank performance increased 2021 to more closely align with aggregate data, indicating an upward trend in lending performance.

Geographic Distribution of Home Mortgage Loans – Tennessee AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	5.5	7.4	25	11.4	5,870	9.4
2021	5.5	7.5	18	9.0	5,661	8.4
Moderate						
2020	15.1	12.0	17	7.7	4,555	7.3
2021	15.1	13.2	20	10.1	5,155	7.7
Middle						
2020	31.2	26.2	61	27.7	12,860	20.6
2021	31.2	27.4	55	27.6	13,044	19.4
Upper						
2020	48.3	54.4	117	53.2	39,012	62.6
2021	48.3	51.9	106	53.3	43,281	64.5
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>220</b>	<b>100.0</b>	<b>62,297</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>199</b>	<b>100.0</b>	<b>67,140</b>	<b>100.0</b>
Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

### ***Small Business Loans***

The geographic distribution of small business loans reflects adequate penetration throughout the Tennessee AA. As illustrated in the table below, bank performance in low-income census tracts trailed demographic data and aggregate performance in 2020; however, bank performance improved in 2021 by 4.8 percentage points, exceeding demographic data. Similarly, bank performance in moderate-income census tracts trailed demographic data and aggregate performance in 2020; however, improved significantly in 2021, exceeding demographic data.

Geographic Distribution of Small Business Loans – Tennessee AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	8.8	9.5	12	7.1	2,301	10.8
2021	9.1	--	12	11.9	3,284	19.9
Moderate						
2020	16.2	16.4	23	13.6	4,667	21.9
2021	16.4	--	23	22.8	5,877	35.5
Middle						
2020	20.8	19.6	24	14.2	2,498	11.7
2021	21.1	--	17	16.8	1,730	10.5
Upper						
2020	52.9	53.4	107	63.3	10,203	47.8
2021	52.3	--	48	47.5	4,896	29.6
Not Available						
2020	1.2	1.1	3	1.8	1,684	7.9
2021	1.2	--	1	1.0	750	4.5
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>169</b>	<b>100.0</b>	<b>21,353</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>101</b>	<b>100.0</b>	<b>16,537</b>	<b>100.0</b>
Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

### **Borrower Profile**

Overall, the distribution of borrowers reflects good penetration among borrowers of different income levels, and businesses of different sizes. This conclusion is supported by good results in the more heavily-weighted home mortgage product segment combined with adequate small business performance.

### ***Home Mortgage Loans***

The distribution of home mortgage loans to individuals of different income levels, including LMI borrowers, is good. The table below illustrates the bank's mortgage lending performance by borrower income levels within the AA.

In 2020 and 2021, the bank's performance to low-income borrowers significantly exceeds aggregate, but is less than demographic. However, the performance is considered good based on demographic and economic characteristics of the AA. Of the 21.4 percent of low-income families, 11.2 percent live below the poverty level, which can create a lack of lending opportunities. Due to their limited financial resources, families with income below the poverty level generally do not have

the capacity to support a home mortgage, limiting the demand and opportunity to lend to low-income borrowers.

In 2020 and 2021, the bank's performance of lending to moderate-income borrowers slightly trails demographic and aggregate data.

<b>Distribution of Home Mortgage Loans by Borrower Income Level – Tennessee AA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	21.4	3.5	23	10.5	2,170	3.5
2021	21.4	4.1	16	8.0	1,852	2.8
Moderate						
2020	15.4	12.9	24	10.9	4,246	6.8
2021	15.4	13.2	24	12.1	4,898	7.3
Middle						
2020	18.0	17.5	30	13.6	7,118	11.4
2021	18.0	17.0	23	11.6	5,340	8.0
Upper						
2020	45.1	51.8	127	57.7	43,641	70.1
2021	45.1	48.8	125	62.8	50,667	75.5
Not Available						
2020	0.0	14.3	16	7.3	5,121	8.2
2021	0.0	16.9	11	5.5	4,383	6.5
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>220</b>	<b>100.0</b>	<b>62,297</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>199</b>	<b>100.0</b>	<b>67,140</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 &amp; 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The distribution of small business loans reflects adequate penetration to businesses with GARs of \$1 million or less. The following table illustrates the distribution of small business loans by revenue levels through the AA.

In 2020 and 2021, bank performance significantly trailed demographic and aggregate data; however, the disparity is largely attributable to the significant volume of loans categorized as Revenue Not Available. Specifically, PPP loans composed 74.6 percent of the small business loans in 2020 and 58.4 percent in 2021, which had a disproportionate and adverse effect on the distribution of small business loans, as the institution did not collect revenue information on PPP loans. Adjusting performance to exclude these loans indicates improved performance. More



specifically, if the loans where revenue are not available are excluded from the analysis, the bank's concentration lending to businesses with revenue at or below \$1 million increases to 60.5 and 71.4 percent by number in 2020 and 2021, respectively.

Overall, the institution's performance under this factor is adequate given the unique performance context regarding PPP loans.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category – Tennessee AA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>						
2020	86.4	42.0	26	15.4	7,825	36.6
2021	88.1	--	30	29.7	9,701	58.7
<b>&gt;\$1,000,000</b>						
2020	4.7	--	17	10.1	3,996	18.7
2021	3.9	--	12	11.9	4,430	26.8
<b>Revenue Not Available</b>						
2020	8.9	--	126	74.6	9,532	44.6
2021	8.0	--	59	58.4	2,406	14.5
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>169</b>	<b>100.0</b>	<b>21,353</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>101</b>	<b>100.0</b>	<b>16,537</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### **Innovative or Flexible Lending Practices**

The institution uses innovative and/or flexible lending practices in order to serve the Tennessee AA credit needs. As illustrated in the table below, RBTC facilitated approximately 230 loans totaling \$27.1 million within the Tennessee AA during the evaluation period. This represents 2.4 percent of the total flexible lending practices originated by the bank. Refer to previous sections for additional details regarding the programs.

<b>Innovative or Flexible Lending Programs - Tennessee AA</b>								
<b>Type of Program</b>	<b>2020</b>		<b>2021</b>		<b>2022</b>		<b>Total</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
FHA	1	251	-	-	-	-	1	251
VA	1	216	-	-	-	-	1	216
NHP	7	1,522	6	1,239	2	399	15	3,160
Freddie Mac Home Possible	3	669	3	939	-	-	6	1,608
LMI down payment Assistance	-	-	-	-	1	6	1	6
SBA	4	743	4	2,416	2	1,788	10	4,947
Secured Credit Cards	1	2	-	-	1	2	2	4
LMI HEAL	-	-	1	9	1	52	2	61
PPP	125	10,784	67	6,096			192	16,880
<b>Total</b>	<b>142</b>	<b>14,187</b>	<b>81</b>	<b>10,699</b>	<b>7</b>	<b>2,247</b>	<b>230</b>	<b>27,133</b>
<i>Source: Bank Data 1/7/2020 – 12/31/2022</i>								

### **Community Development Loans**

RBTC is a leader in making community development loans in the Tennessee AA. The bank originated or renewed 9 community development loans, totaling \$14.5 million in this AA during the evaluation period. This level of activity (by dollar) accounts for 4.1 percent of total community development loans. This level of activity represents a significant increase of 561.0 percent in dollar volume from the prior evaluation.

The following table illustrates these lending activities by year and purpose within the AA.

<b>Community Development Lending - Tennessee AA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2020*	1	1,500	-	-	-	-	1	1,331	2	2,831
2021	3	5,711	-	-	2	3,550	-	-	5	9,261
2022	1	500	-	-	1	1,950	-	-	2	2,450
<b>Total</b>	<b>5</b>	<b>7,711</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>5,500</b>	<b>1</b>	<b>1,331</b>	<b>9</b>	<b>14,542</b>
<i>Source: Bank Data *1/7/2020 - 12/31/2020</i>										

The following are notable examples of community development loans in the Tennessee AA:

- The institution originated a \$5 million to finance the construction of affordable housing developments for low-income individuals and families in the AA. (Affordable Housing)
- The institution made a \$1.5 million loan to finance the acquisition of a corporate office for a local community development organization, which will be used to expand community development-related services (such as financial literacy classes) throughout the AA. (Community Service)

- The institution renewed a \$500,000 line of credit for affordable housing developments and working capital to a CDFI. (Affordable Housing)

## INVESTMENT TEST

The Investment Test is rated High Satisfactory for this AA. This performance reflects good performance in meeting the investment and community development needs in the area.

### Investment and Grant Activity

The institution has a significant level of qualified community development investment and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

RBTC originated or retained 19 community development investments (including qualified grants and donations) totaling \$2.8 million during the evaluation period. This level of activity (by dollar) in the Tennessee AA accounts for 3.6 percent of total qualified investments. This level of activity represents a 170.9 percent increase in a dollar volume since the previous evaluation, which is significant.

The following table illustrates qualified investment activity by year and purpose.

Qualified Investments - Tennessee AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	721	-	-	-	-	-	-	1	721
2020*	1	2,000	-	-	-	-	-	-	1	2,000
2021	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>2</b>	<b>2,721</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2,721</b>
Qualified Grants & Donations	9	20	5	13	2	4	1	2	17	39
<b>Total</b>	<b>11</b>	<b>2,741</b>	<b>5</b>	<b>13</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>19</b>	<b>2,760</b>
Source: Bank Data *1/7/2020 - 12/31/2020-										

The following are notable examples of community development investments in the Tennessee AA:

- The institution made a \$2.0 million investment to a LIHTC fund to support the financing of renovations for 208 affordable housing units for LMI families and individuals. (Affordable Housing)
- Annually, the institution donates \$3,000 to a local income tax assistance program to assist LMI individuals with free tax preparation. (Community Service)

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits good responsiveness to credit and community development needs. A substantial majority of qualified investments support affordable housing initiatives, which demonstrates the bank's responsiveness to the community development needs identified by community contacts.

### **Community Development Initiatives**

The institution makes extensive use of innovative and/or complex investments to support community development initiatives. By dollar, 98.6 of the community development initiatives in the Tennessee AA consist of LIHTC investments.

### **SERVICE TEST**

The Service Test is rated Low Satisfactory.

### **Accessibility of Delivery Systems**

Delivery systems are accessible to limited portions of the AA. As illustrated in the following table, the bank does not maintain any branches, ATMs, or ITMs in LMI census tracts; however, the bank provides some alternative delivery systems for deposits and home mortgages, such as online banking and phone applications. The following table illustrates the overall distribution of branches, ATMs, and ITMs throughout the AA.

<b>Branch and ATM Distribution by Geography Income Level - Tennessee AA</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs/ITMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	28	14.1	92,933	10.8	0	0.0	0	0.0
Moderate	44	22.2	184,318	21.5	0	0.0	0	0.0
Middle	55	27.8	249,356	29.1	0	0.0	0	0.0
Upper	68	34.3	330,023	38.5	2	100.0	3	100.0
NA	3	1.5	1,332	0.2	0	0.0	0	0.0
<b>Totals</b>	<b>198</b>	<b>100.0</b>	<b>857,962</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>
<i>Source: 2015 ACS &amp; Bank Data. Due to rounding, totals may not equal 100.0%</i>								

### **Changes in Branch Locations**

RBTC did not open or close any branches in the AA during the evaluation period. Therefore, this criterion generally did not affect the accessibility of its delivery systems, particularly in LMI census tracts or to LMI borrowers.

### **Reasonableness of Business Hours and Services**

Services, including business hours, do not vary in a way that inconveniences portions of the AA, particularly LMI geographies and individuals. The Tennessee branches, both of which are in upper-income census tracts, do not have Saturday hours; however, customers are adequately served through alternative delivery channels, including ITMs, mobile banking, and online banking. Specifically, both locations have ITMs, which offer extended hours, including on Saturdays.

### **Community Development Services**

RBTC is a leader in providing community development services in the Tennessee AA. During the evaluation period, bank officials provided 144 instances, totaling 191 hours of financial expertise or technical assistance to community development-related organization in the AA. Services in the Tennessee AA account for 7.5 percent by number and 5.4 percent by hour of the banks total qualified activities, which is strong given the bank's limited presence in the Tennessee market. This level of activity represents a 227.3 percent increase in instances since the prior evaluation.

Of the 144 instances, 128 (88.9 percent) were recurring activities such as employees serving, participating in, and attending multiple Board, Advisory and/or finance-related committee meetings. The following table illustrates community development service activity by year and purpose.

<b>Community Development Services - Tennessee AA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>
2020*	16	23	2	2	14	15	0	0	32	40
2021	25	29	1	1	15	15	0	0	41	45
2022	33	42	14	18	24	46	0	0	71	106
<b>Total</b>	<b>74</b>	<b>94</b>	<b>17</b>	<b>21</b>	<b>53</b>	<b>76</b>	<b>0</b>	<b>0</b>	<b>144</b>	<b>191</b>
<i>Source: Bank Data * 1/7/2020-12/31/2020</i>										

The following are notable examples of the bank's qualified services in the Tennessee AA:

- Two senior banking officials serve on the Board of Directors for a HUD-certified counseling agency that purchases and renovates foreclosed and vacant single-family homes in the AA. (Affordable Housing)
- Two senior banking officials serve on the Board of Directors for a local organization that provides business development and accountability services to small businesses in the AA. Services include governance, oversight, business management, financial recordkeeping, budgeting, and legal services. (Economic Development)
- Two senior banking officials led financial literacy classes for a local community organization, focusing on credit building, down payment assistance, and the mortgage process. (Community Services)

## **APPENDICES**

### **LARGE BANK PERFORMANCE CRITERIA**

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its AA(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's AA;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
  - i. The proportion of the bank's lending in the bank's AA(s);
  - ii. The dispersion of lending in the bank's AA(s); and
  - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's AA(s);
- 3) The distribution, particularly in the bank's AA(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
  - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
  - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
  - iii. Small business and small farm loans by loan amount at origination; and
  - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of LMI individuals or geographies.

#### **Investment Test**

The Investment Test evaluates the institution's record of helping to meet the credit needs of its AA(s) through qualified investments that benefit its AA(s) or a broader statewide or regional area that includes the bank's AA(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

## **Service Test**

The Service Test evaluates the bank's record of helping to meet the credit needs of its AA(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in LMI geographies or primarily serving LMI individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in LMI geographies and to LMI individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

## SCOPE OF EVALUATION

Republic Bank and Trust	
<b>Scope of Examination:</b> Full scope reviews were performed on the following AAs within the noted rated areas: <ul style="list-style-type: none"> <li>• Louisville-Jefferson County, KY-IN Multi-State MSA AA</li> <li>• State of Kentucky</li> <li>• State of Florida</li> <li>• Cincinnati-Middleton, OH-KY Multi-State MSA AA</li> <li>• State of Tennessee</li> </ul>	
<b>Time Period Reviewed:</b>	01/07/2020 – 01/17/2023
<b>Products Reviewed:</b> Home Mortgage: Time period reviewed 01/01/2020 – 12/31/2021 Small Business: Time period reviewed 01/01/2020 – 12/31/2021 Community Development: Time period reviewed 01/07/2020 – 12/31/2022	

List of Affiliates and Products Reviewed		
Affiliates	Affiliate Relationship	Products Reviewed
Republic Bancorp	Parent Company	None
Republic Bancorp Capital Trust	Common Ownership	None
Republic Insurance Services, Inc.	Common Ownership	None

List of Assessment Areas and Type of Evaluation			
Rated Area/ Assessment Area	Type of Evaluation	Branches Visited	Other Information
Louisville Multistate MSA	Full-scope	1	NA
Kentucky	Full-scope	0	NA
Florida	Full-scope	0	NA
Cincinnati Multistate MSA	Full-scope	0	NA
Tennessee	Full-scope	0	NA



## SUMMARY OF RATINGS FOR RATED AREAS

<b>RATED AREA</b>	<b>LENDING</b>	<b>INVESTMENT</b>	<b>SERVICE</b>	<b>RATING</b>
Louisville	Outstanding	Outstanding	Outstanding	Outstanding
Kentucky	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
Florida	Outstanding	Outstanding	High Satisfactory	Outstanding
Cincinnati	Outstanding	Outstanding	High Satisfactory	Outstanding
Tennessee	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/AA.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for LMI individuals;
- (2) Target community services toward LMI individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit LMI groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI

facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
  - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's AA as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the bank's AA(s) or a broader statewide or regional area including the bank's AA(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or

- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an AA. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an AA. Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/AA.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Micropolitan Statistical Area:** CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and

rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a

population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.